DOCUMENT RESUME

ED 191 414 HE 013 106

TITLE	Higher Education Amendments of 1979: Hearings Before the Subcommittee on Education, Arts and Humanities of the Committee on Labor and Human Resources, United States Senate, Ninety-Sixth Congress, First Session, on S. 1839, Part I. (October 2-5, 1979).
INSTITUTION	Congress of the U.S., Washington, D.C. Senate Committee on Labor and Human Resources.
PUB DATE	80
NOTE	1,031p.: Not available in paper copy due to marginal legibility of original document.
AVAILABLE FROM	Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402
EDRS PRICE	MF07 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS	*Access to Education: College Libraries: Community Colleges: Community Services: Cooperative Education: Developing Institutions: Facility Improvement: Federal Aid: Federal Government: *Federal Legislation: *Federal Programs: Fellowships: *Financial Support: Graduate Study: Hearings: *Higher Education: Library Education: Library Research: Lifelong Learning: Statewide Planning: Student Financial Aid: Teacher Education: Undergraduate Study
IDENTIFIERS	Fund for Improvement of Postsecondary Education: Higher Education Act 1965: *Higher Education Amendments 1979: National Institute of Education: Teacher Corps

ABSTRACT

United States Senate hearings on S. 1839, a bill to extend the Higher Education Act of 1965, and for other purposes, are presented. Testimony concerning the proposed Higher Education Amendments of 1979 is presented by college administrators, financial aid officers, students, teachers, researchers, and representatives of the federal and state governments. The bill includes the following parts: Community Services and Continuing Education Programs, college library assistance in library training and research, strengthening developing institutions, student assistance, Teacher Corps and teacher training programs, financial assistance for the improvement of undergraduate instruction, reconstruction/renovation of academic facilities, cooperative education, graduate programs, community college establishment and expansion, statewide planning authorization, Fund for the Improvement of Postsecondary Education, National Institute of Education, and the Allen J. Ellender Fellowship Program. (SW)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED191414

HIGHER EDUCATION AMENDMENTS OF 1979

HEARINGS

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, ARTS AND HUMANITIES

OF THE

COMMITTEE ON
LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

NINETY-SIXTH CONGRESS

FIRST SESSION

ON

S. 1839

TO EXTEND THE HIGHER EDUCATION ACT OF 1965, AND FOR OTHER PURPOSES

OCTOBER 2, 3, 4, 5, 1979

PART 1

U S DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

Printed for the use of the Committee on Labor and Human Resources

U.S. GOVERNMENT PRINTING OFFICE
61-680 O WASHINGTON : 1980

HE 013 106

SEP 22 1980

COMMITTEE ON LABOR AND HUMAN RESOURCES

HARRISON A. WILLIAMS, Jr., New Jersey, *Chairman*

JENNINGS RANDOLPH, West Virginia
CLAIBORNE PELL, Rhode Island
EDWARD M. KENNEDY, Massachusetts
GAYLORD NELSON, Wisconsin
THOMAS F. EAGLETON, Missouri
ALAN CRANSTON, California
DONALD W. RIEGLE, Jr., Michigan
HOWARD M. METZENBAUM, Ohio

RICHARD S. SCHWEIKER, Pennsylvania
JACOB K. JAVITS, New York
ROBERT T. STAFFORD, Vermont
ORRIN G. HATCH, Utah
WILLIAM L. ARMSTRONG, Colorado
GORDON J. HUMPHREY, New Hampshire

Stephen J. Paradise, *General Counsel and Staff Director*
Marjorie M. Whittaker, *Chief Clerk*
David A. Winston, *Minority Staff Director*

Subcommittee on Education, Arts and Humanities

CLAIBORNE PELL, Rhode Island, *Chairman*

HARRISON A. WILLIAMS, Jr., New Jersey
JENNINGS RANDOLPH, West Virginia
EDWARD M. KENNEDY, Massachusetts
THOMAS F. EAGLETON, Missouri

ROBERT T. STAFFORD, Vermont
RICHARD S. SCHWEIKER, Pennsylvania
JACOB K. JAVITS, New York

Jean S. Frohlicher, *Counsel*
Sven Groennings, *Minority Professional Staff*

CONTENTS

Page
Text of S. 1839 3

CHRONOLOGICAL LIST OF WITNESSES

TUESDAY, OCTOBER 2, 1979

Berry, Dr. Mary F., Assistant Secretary for Education, Department of Health, Education, and Welfare, accompanied by Al Moye, Deputy Commissioner for Higher Education; and Tom Butts, Acting Deputy Commissioner for Student Financial Assistance 11
Healy, Father Timothy S., S.J., president, Georgetown University; accompanied by J. W. Peltason, president, American Council of Education, and Charles B. Saunders, Jr., vice president for government relations (ACE) 182

WEDNESDAY, OCTOBER 3, 1979

Hanford, Dr. George H., president, College Board; Dr. Paul A. Kerschner, associate director, legislation, research and development services division, National Retired Teachers Association and the American Association of Retired Persons; Dr. Wilbur Cohen, University of Michigan; Carroll Hutton, education director, United Auto Workers; Dr. Eileen Farley, president, Bristol Community College, Fall River, Mass.; Donald McNeil, Coalition for Alternatives in Postsecondary Education; Ms. Joan Goodin, National Commission on Working Women; and Donald Crawford, assistant vice president, division of continuing education, Ohio State University, a panel 218
Ambach, Gordon M., president, the University of the State of New York, and commissioner of education, New York State 385
Hollander, Dr. Edward, commissioner for higher education, New Jersey; Dr. John C. Honey, representing Education Commission of the States; and Dr. Paul Barton, vice president, National Manpower Institute, a panel 491
Griffiths, Dr. Daniel E., dean, School of Education, New York University; Dr. Eleanor McMahon, vice president, Rhode Island College; and Dr. James L. Gant, dean, College of Education, Florida State University, a panel 515
Polishook, Dr. Irwin, vice president, American Federation of Teachers, AFL–CIO; and Patricia Weiler, American Federation of Teachers; and James McCormick, president, Bloomsburg State College, Pa., a panel 534
Bartlett, Dr. Thomas A., president, Association of American Universities 558

THURSDAY, OCTOBER 4, 1979

Bellmon, Hon. Henry, a U.S. Senator from the State of Oklahoma; Hon. Barry Goldwater, a U.S. Senator from the State of Arizona; Senator Robert Taft, Jr., Ohio; and Marilyn Chelstrom, executive director, Taft Institute, New York, a panel 581
Galvin, Thomas J., dean, School of Library and Information Science, University of Pittsburgh; Charles Churchwell, university librarian, Washington University libraries, St. Louis, Mo.; and Ann Turner, librarian, Norwich University, Norwich, Vt., a panel 610
Stafford, Hon. Robert T., a U.S. Senator from the State of Vermont 611
Dunlap, Connie, university librarian, Duke University Libraries, and president-elect, Association of Research Libraries; Townsend Hoopes, president, Association of American Publishers; and Charles Benton, chairman, National Commission on Library and Information Science, a panel 674

Page
Willard, Robert S., vice president for government relations, Information Industry Association, Washington, D.C 751
Owens, Becky H., director, Office of International Education Policy, American Council on Education; Tracy Gray, executive director, Center for Applied Linguistics, Arlington, Va.; and Martin Meyerson, president, University of Pennsylvania, Philadelphia, Pa., a panel 797
Ryder, Dr. Kenneth G., president, Northeastern University, and vice president, Committee of Urban Program Universities, Washington, D.C., accompanied by Charles Coffin, director of governmental relations, Northeastern University; Jim Harrison, executive director, CUPU, and Michael Goldstein, counsel, CUPU 833

FRIDAY, OCTOBER 5, 1979

Butler, Dr. Broadus N., United Negro College Fund, Washington, D.C., accompanied by Stanley Karson, director, Clearinghouse on Corporate Social Responsibility of the Life and Health Insurance business; Dr. Thomas Law, National Association for Equal Educational Opportunity, Washington, D.C., accompanied by Charles Lyons, chancellor, Fayetteville State University, N.C., and president, NAFEO; Dr. Alvin Rivera, Hispanic Higher Education College Coalition, Washington, D.C., a panel 858
Coultas, Sister Mary Joan, president, La Roche College, Pittsburgh, Pa.; Dr. Donald T. Cannon, executive director, Northern Plains Consortium for Education, Jamestown, N. Dak.; Dr. Henry Monroe, executive director, New Hampshire College and University Council, Durham, N.H.. and the Reverend Fancis J. Breidenbach, president, Ladycliff College, Highland Falls, N.Y., a panel 903
Mitchem, Arnold, convenor, National Coordinating Council of Educational Opportunity Associations, Milwaukee, Wis.; Lester Barclay, Oberlin College student, Oberlin, Ohio; Oscar Hernandez, talent search director, Project Stay, San Antonio, Tex; Larry Dais, Upward Bound talent search director, Columbia University, N.Y.; and Peter Fellenz, Worchester Consortium, Worcester, N.Y., a panel 964
Wooldridge, Dr. Roy, president of the National Commission for Cooperative Education and vice president, Northeastern University, Boston, Mass,; Dr. Joanne Hinton, vice president, Villa Maria College, Buffalo, N.Y.; Dr. Don Starkey, president, the Cooperative Education Association and director of cooperative education art, Murray State College, Murray, Ky.; Dr. William Maxwell, president, Jersey City State College, Jersey City, N.J.; and Sister Lawreace Antoun, president, Villa Maria College, Erie, Pa.; a panel 1000

STATEMENTS

Ambach, Gordon M., president, the University of the State of New York, and commissioner of education, New York State 385
    Prepared statement 388
Antoun, Sister Lawreace, president, Villa Maria College, Erie, Pa., prepared statement 1014
Barclay, Lester, trio desk director, United States Student Association, prepared statement 984
Bartlett, Dr. Thomas A., president, Association of American Universities 558
    Prepared statement 561
Barton, Paul E., vice president for planning and policy development, National Manpower Institute, prepared statement 504
Bellmon, Hon. Henry, a U.S. Senator from the State of Oklahoma; Hon. Barry Goldwater, a U.S. Senator from the State of Arizona; Senator Robert Taft, Jr., Ohio; and Marilyn Chelstrom, executive director, Taft Institute, New York, a panel 581
    Prepared statement 583
Benton, Charles, chairman, National Commission on Libraries and Information Science, prepared statement 709
Berry, Dr. Mary F., Assistant Secretary for Education, Department of Health, Education, and Welfare, accompanied by Al Moye, Deputy Commissioner for Higher Education; and Tom Butts, Acting Deputy Commissioner for Student Financial Assistance 11
    Prepared statement 17
Breidenbach, Monsignor Fancis J., president, Ladycliff College, Highland Falls, N.Y., prepared statement 935

Page

Butler, Dr. Broadus N., United Negro College Fund, Washington, D.C., accompanied by Stanley Karson, director, Clearinghouse on Corporate Social Responsibility of the Life and Health Insurance business; Dr. Thomas Law, National Association for Equal Educational Opportunity, Washington, D.C., accompanied by Charles Lyons, chancellor, Fayetteville State University, N.C., and president, NAFEO; Dr. Alvin Rivera, Hispanic Higher Education Coalition, Washington, D.C., a panel 858
  Prepared statement 860
Cannon, Donald T., executive director, Northern Plains Consortium for Education, prepared statement 940
Chelstrom, Marilyn, president, Robert A. Taft Institute of Government, prepared statement 592
Churchwell, Charles D., dean of library services, Washington University, St. Louis, Mo., prepared statement 646
Coultas, Sister Mary Joan, president, La Roche College, Pittsburgh, Pa.; Dr. Donald T. Cannon, executive director, Northern Plains Consortium for Education, Jamestown, N. Dak.; Dr. Henry Monroe, executive director, New Hampshire College and University Council, Durham, N.H., and the Monsignor Fancis J. Breidenbach, president, Ladycliff College, Highland Falls, N.Y., a panel 903
  Prepared statement 906
Dais, Larry, director, Project Double Discovery, Columbia University, prepared statement 969
Dunlap, Connie, university librarian, Duke University Libraries, and president-elect, Association of Research Libraries; Townsend Hoopes, president, Association of American Publishers; and Charles Benton, chairman, National Commission on Library and Information Science, a panel 674
  Prepared statement 677
Farley, Eileen T., president, Bristol Community College, on behalf of the American Association of Community and Junior Colleges, prepared statement 282
Galvin, Thomas J., dean, School of Library and Information Science, University of Pittsburgh; Charles Churchwell, university librarian, Washington University Libraries, St. Louis, Mo.; and Ann Turner, librarian, Norwich University, Norwich, Vt., a panel 610
  Prepared statement 634
Goodin, Joan, executive director, National Commission on Working Women, prepared statement as presented at the hearings on The Coming Decade: American Women and Human Resources Policies and Programs, on January 31, 1979 247
Goodin, Joan M., executive director, National Commission on Working Women, prepared statement of October 3, 1979 274
Griffiths, Dr. Daniel E., dean, School of Education, New York University; Dr. Eleanor McMahon, vice president, Rhode Island College; and Dr. James L. Gant, dean, College of Education, Florida State University, a panel 515
  Joint prepared statement 517
Hanford, Dr. George H., president, College Board; Dr. Paul A. Kerschner, associate director, legislation, research and development services division, National Retired Teachers Association and the American Association of Retired Persons; Dr. Wilbur Cohen, University of Michigan; Carroll Hutton, education director, United Auto Workers; Dr. Eileen Farley, president, Bristol Community College, Fall River, Mass.; Donald McNeil, Coalition for alternatives in Postsecondary Education; Ms. Joan Goodin, National Commission on Working Women; and Donald Crawford, assistant vice president, division of continuing education, Ohio State University, a panel 218
  Prepared statement 220
Healy, Father Timothy S., S.J., president, Georgetown University; accompanied by J. W. Peltason, president, American Council on Education, and Charles B. Saunders, Jr., vice president for government relations (ACE) 182
  Joint prepared statement 194
Hollander, Dr. Edward, commissioner for higher education, New Jersey; Dr. John C. Honey, representing Education Commission of the States; and Dr. Paul Barton, vice president, National Manpower Institute, a panel 491
Honey, John C., professor of political Science and higher education, Syracuse University, prepared statement 495
Hoopes, Townsend, president, Association of American Publishers, prepared statement 702

Page

Hutton, Carroll M., director, department of education, International Union of United Auto Workers, prepared statement 296

Kerschner, Dr. Paul A., associate director, legislation, research and developmental services division, National Retired Teachers Association and the American Association of Retired Persons, prepared statement 232

Maxwell, William J., president, Jersey City State College, prepared statement 1008

McNeil, Donald R., president, University of Mid-America, prepared statement 357

Mitchem, Arnold, convenor, National Coordinating Council of Educational Opportunity Associations, Milwaukee, Wis.; Lester Barclay, Oberlin College student, Oberlin, Ohio; Oscar Hernandez, talent search director, Project Stay, San Antonio, Tex.; Larry Dais, Upward Bound talent search director, Columbia University, N.H.; and Peter Fellenz, Worcester Consortium, Worcester, N.Y., a panel 964

National University Extension Association, Dr. Donald E. Crawford, associate vice provost, Ohio State University, on behalf of, prepared statement 367

Owens, Becky H., director, Office on International Education Policy, American Council on Education; Tracy Gray, executive director, Center for Applied Linguistics, Arlington, Va.; and Martin Meyerson, president, University of Pennsylvania, Philadelphia, Pa., a panel 797

Prepared statement 800

Polishook, Dr. Irwin, vice president, American Federation of Teachers, AFL-CIO; and Patricia Weiler, American Federation of Teachers; and James McCormick, president, Bloomsburg State College, Pa., a panel 534

Prepared statement 537

Pennsylvania Association of Colleges and Universities, prepared statement, Dr. James H. McCormick, president, Bloomsburg State College, Pa., on behalf of .. 547

Rivera, Dr. Alvin, spokesman, Hispanic Higher Education Coalition, prepared statement 875

Ryder, Dr. Kenneth G., president, Northeastern University, and vice president, Committee of Urban Program Universities, Washington, D.C., accompanied by Charles Coffin, director of governmental relations, Northeastern University; Jim Harrison, executive director, CUPU, and Michael Goldstein, counsel, CUPU 833

Prepared statement 835

Stafford, Hon. Robert T., a U.S. Senator from the State of Vermont, opening statement 611

Turner, Ann, librarian, Norwich University, Northfield, Vt., prepared statement 615

Willard, Robert S., vice president for government relations, Information Industry Association, Washington, D.C 751

Prepared statement 754

Wirtz, Willard, member, National Commission on Working Women, prepared statement as presented at the hearings on The Coming Decade: American Women and Human Resources Policies and Programs on January 31, 1979 .. 260

Wooldridge, Dr. Roy, president of the National Commission for Cooperative Education and vice president, Northeastern University, Boston, Mass.; Dr. Joanne Hinton, vice president, Villa Maria College, Buffalo, N.Y.; Dr. Don Starkey, president, the Cooperative Education Association and director of cooperative education art, Murray State College, Murray, Ky.; Dr. William Maxwell, president, Jersey City State College, Jersey City, N.J.; and Sister Laureace Antoun, president, Villa Maria College, Erie, Pa., a panel 1000

ADDITIONAL INFORMATION

Articles, publications, etc.:

An alternative approach to improving access to periodical literature, from the Information Industry Association 772

Costs determined through a study, in 1978, undertaken by the Council on Library Resources 743

Costs estimated by Arther D. Little, Inc., in a study completed for the National Commission 748

Educational opportunity centers serving Massachusetts, list of 979

Enlivening civics with live politicians—exciting and instructional, by Gary J. Buckley, from the Christian Science Monitor, Monday, April 10, 1978 586

Page
Estimated total annual costs for the National Periodicals Center, in thousands of dollars 741
Excerpts of letters from working women 269
Extract from a statement by Paul G. Zurkowski, president, Information Industry Association before the Committee on House Administration and the Senate Committee on Rules and Administration regarding H.R. 4572 and S. 1436, July 24, 1979 769
Federal legislation and education in New York State, from the University of the State of New York, February 1979 420
Legislative proposals for the reauthorization of the higher education Act (NEA) 70
National Advisory Council on Women's Educational programs—report 305
National Periodicals Center, open forum and actions of the NCLIS Advisory Committee on a National Periodicals System, summary report of 715
National Periodicals Center: Too limited a goal, a, by Donald J. Sager, from the American libraries, September 1979 767
Need for full funding of special programs for the disadvantaged, from the United States Student Association 990
On merging NDEA into HEA, by Hon. Robert T. Stafford, a U.S. Senator from the State of Vermont 689
Organizations endorsing the National Periodical Center 213
Regents approve 25 proposals for Federal aid to higher education, from the New York State Education Department News, May 24, 1979 411
Research Universities and the National Interest, a report from 15 university presidents, December 1977 650
Small Colleges Working Together, from the Northern Plains Consortium for Education, Inc., Jamestown, N. Dak 950
State of Foreign Language Instruction in the U.S.A. Today, from Peter A. Eddy, Center for Applied Linguistics, Arlington, Va 817
Title IIa—A Bargain at the Price: A Symposium, from the Journal of Academic Librarianship, September 1979, Vol. 5, No. 4, pp. 188-199 619
Why Companies are Investing in the College Endowment Funding Plan, from the Robert R. Moton Memorial Institute, Inc 418

Communications to:

Carter, Hon. Jimmy, President of the United States, from Senators Pete V. Domenici, Dennis DeConcini, Gary Hart, S. I. Hayakawa, Harrison Schmitt, John Tower, and Barry Goldwater, March 14, 1979 872
Cannon, Dr. Donald T., executive director, Northern Plains Consortium for Education, Jamestown College, Jamestown, N. Dak., and Dr. Henry Munroe, executive director, New Hampshire College and University Council, Manchester, N.H., from Dean E. Tollefson, executive director, Council for Interinstitutional Leadership, University, Ala., October 1, 1979 955
Ford, Hon. William D., chairman, House Subcommittee on Postsecondary Education, from:
  Phillips, John D., president, National Association of Independent Colleges and Universities, Washington, D.C., September 25, 1979 956
  Quehl, Gary H., president, Council for the Advancement of Small Colleges, Washington, D.C., September 12, 1979 958
Pell, Hon. Claiborne, chairman, Subcommittee on Education, Arts and Humanities, from:
  Nelson, Hon. Gaylord, a U.S. Senator from the State of Wisconsin, October 2, 1979 (with attachment) 571
  Owens, Becky H., director, Office of International Education Policy, American Council on Education, Washington, D.C., October 29, 1979 811
  Ryder, Kenneth G., president, Northeastern University, Boston, Mass., October 31, 1979 852

HIGHER EDUCATION AMENDMENTS OF 1979

TUESDAY, OCTOBER 2, 1979

U.S. SENATE,
SUBCOMMITTEE ON EDUCATION, ARTS, AND HUMANITIES,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:10 a.m., in room 4232, Dirksen Senate Office Building, Senator Claiborne Pell (chairman of the subcommittee) presiding.

Present: Senators Pell and Stafford.

OPENING STATEMENT OF SENATOR PELL

Senator PELL. The Subcommittee on Education, Arts and Humanities will come to order.

The committee members are here even though the administration witness is not. Therefore, we will start with our opening statement.

Today, we begin a series of hearings concerning Federal policy in the area of higher education. This is a crucial period in the history of higher education. What we do over the next several months will greatly affect higher education's future.

Over the next few days, we will be hearing from witnesses representing every element of the higher education community from students to teachers, from administrators to financial aid officers, from researchers to librarians, and from the Federal Government to State governments. We will ask these witnesses how well the Federal programs have worked, which ones should be retained, which ones terminated, and what new directions we should pursue. The decisions we make, based on the advice we receive from the witnesses, will in large measure shape higher education policy for the decade of the eighties.

I must point out that we realize that the best legislation is often no legislation at all. We are interested in seeing the complexity of Federal programs reduced as much as possible and greater simplicity brought into the pursuit and the handling of any application for Federal educational assistance.

The decade of the eighties will be challenging. Institutions will be faced with shrinking enrollments and tight budgets. They will be confronted with new types of student populations, with student bodies that are older, that are composed of more women and minorities, and that are not at all like the traditional student bodies of the past. Higher education institutions will be confronted with new demands from the students they serve, as well as the communities of which they are a part. It will be our duty to fashion a

Federal policy that will help higher education successfully meet these challenges.

I approach these hearings with an open mind. I have no preconceptions as to what the final legislation should look like. However, I do have several ingredients that I hope will be included in the final bill we enact.

First, whatever the Federal policy is, it should be as simple and as comprehensible as possible. We should not burden higher education officials or students with unnecessary paperwork and administrative requirements. We should eliminate duplicative procedures and programs whenever possible. People want government to seem to make some sense, and we should strive to achieve that goal.

Second, we should take whatever steps are necessary to remove any impediments that might prevent people from taking advantage of Federal programs. We should focus on the consumers of our programs, and do what we can to make the programs readily accessible to them.

Finally, we should continue to encourage through our policies high quality academic work. Our educational system is one of the prime reasons that our Nation is as great as it is. We should encourage the pursuit of excellence and intellectual advancement that is so much a part of American higher education. Through the legislation we develop over the next few months, I am confident we can do that.

[The text of S. 1839 follows:]

II

96TH CONGRESS
1ST SESSION

S. 1839

To extend the Higher Education Act of 1965, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 28 (legislative day, JUNE 21), 1979

Mr. PELL introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

---

A BILL

To extend the Higher Education Act of 1965, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Higher Education Amendments of 1979".

COMMUNITY SERVICES AND CONTINUING EDUCATION PROGRAMS

SEC. 2. (a) Section 101(a) of the Higher Education Act of 1965 (hereafter in this Act referred to as the "Act") is amended by striking out "1980" and inserting in lieu thereof: "1985".

(b) Section 101(b) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(c) Section 110 of the Act is amended by striking out "ending June 30, 1973, for each succeeding fiscal year ending prior to October 1, 1978, and for the period beginning July 1, 1976, and ending September 30, 1976" and inserting in lieu thereof the following: "1980, and for each of the succeeding fiscal years ending prior to October 1, 1985".

COLLEGE LIBRARY ASSISTANCE IN LIBRARY TRAINING AND RESEARCH

SEC. 3. (a) The first sentence of section 201(b) of the Act is amended by striking out "the succeeding fiscal year" and inserting in lieu thereof the following: "each of the succeeding fiscal years ending prior to October 1, 1985".

(b) Section 232 of the Act is amended by striking out "the succeeding fiscal year" and inserting in lieu thereof the following: "each of the succeeding fiscal years ending prior to October 1, 1985".

STRENGTHENING DEVELOPING INSTITUTIONS

SEC. 4. Section 301(b) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

STUDENT ASSISTANCE

SEC. 5. (a)(1)(A) Section 411(a)(1) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(B) Section 411(b)(5) of the Act is amended by striking out "the fiscal year ending September 30, 1980" and inserting in lieu thereof "the fiscal year 1980, and any of the succeeding fiscal years ending prior to October 1, 1985".

(2) Section 413A(b)(1) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(3) Section 415A(b)(1) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(4) Section 417A(b) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(5) Section 418A(b)(1) of the Act is amended by striking out "the succeeding fiscal year" and inserting in lieu thereof the following: "each of the succeeding fiscal years ending prior to October 1, 1985".

(6)(A) Section 420(a)(1) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(B) Section 420(a)(4) of the Act is amended by striking out "1981" and inserting in lieu thereof "1986".

(b)(1) Section 424(a) of the Act is amended by striking out "1981" and inserting in lieu thereof "1985".

(2) Section 428(a)(5) of the Act is amended by striking out "1981" and inserting in lieu thereof "1985" and by striking out "1985" and inserting in lieu thereof "1989".

(c) Section 441(b) of the Act is amended by inserting before the period a comma and the following: "and for each of the succeeding fiscal years ending prior to October 1, 1985".

(d)(1) Section 461(b)(1) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(2) Section 461(b)(2) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(e) Section 493C(b) of the Act is amended by inserting "fiscal" before "year" and by striking out "1978" and inserting in lieu thereof "1985".

TEACHER CORPS AND TEACHER TRAINING PROGRAMS

SEC. 6. (a) Section 511(b) of the Act is amended by striking out "the succeeding fiscal year" and inserting in lieu thereof the following: "each of the succeeding fiscal years ending prior to 1985".

(b) Section 531 of the Act is amended by striking out "the succeeding fiscal year" and inserting in lieu thereof "each of the succeeding fiscal years ending prior to October 1, 1985".

FINANCIAL ASSISTANCE FOR THE IMPROVEMENT IN UNDERGRADUATE INSTRUCTION

SEC. 7. (a) Section 601(b) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(b) Section 601(c) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF ACADEMIC FACILITIES

SEC. 8. (a) Section 701(b) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(b) Section 721 of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(c)(1) Section 741(b) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(2) Section 745(c)(2) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(d) Section 782(10) of the Act is amended by inserting after "the Virgin Islands" a comma and the following: "the Northern Mariana Islands".

COOPERATIVE EDUCATION

SEC. 9. (a) Section 801(a)(5) of the Act is amended by striking out "the fiscal years 1980, 1981, and 1982," and inserting in lieu thereof "the succeeding fiscal years ending prior to October 1, 1985".

(b) Section 801(b)(4) of the Act is amended by striking out "the fiscal years 1978, 1979, 1980, 1981, and 1982" and inserting in lieu thereof "the succeeding fiscal years ending prior to October 1, 1985".

GRADUATE PROGRAMS

SEC. 10. (a) Section 901(c) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(b) Section 922(a) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(c) Section 941(a) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(d)(1) Section 961(b)(1) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(2) Section 966(a) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

COMMUNITY COLLEGE ESTABLISHMENT AND EXPANSION

SEC. 11. (a) Section 1001(b)(1) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(b) Section 1011(b) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

LAW SCHOOL CLINICAL EXPERIENCE PROGRAM

SEC. 12. Section 1103 of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

DEFINITION

SEC. 13. Section 1201(b) of the Act is amended by inserting after "the Virgin Islands" a comma and the following: "the Northern Mariana Islands".

STATEWIDE PLANNING AUTHORIZATION

SEC. 14. (a) Section 1203(d)(1) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(b) Section 1203(d)(2) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

SEC. 15. Section 404(e) of the General Education Provisions Act is amended by striking out "1980" and inserting in lieu thereof "1985".

NATIONAL INSTITUTE OF EDUCATION

SEC. 16. The last sentence of section 405(j) of the General Education Provisions Act is amended by inserting after "1980" a comma and the following: "and for each of the succeeding fiscal years ending prior to October 1, 1985".

TITLE VI OF THE NATIONAL DEFENSE EDUCATION ACT OF 1958

SEC. 17. Section 604 of the National Defense Education Act of 1958 is amended by striking out "1980" and inserting in lieu thereof "1985".

THE ALLEN J. ELLENDER FELLOWSHIP PROGRAM

SEC. 18. Section 5 of the joint resolution approved October 19, 1972 (relating to the Allen J. Ellender fellowship program) is amended by striking out "1982" and inserting in lieu thereof "1985".

Senator **Pell**. To begin our series of hearings, we will hear from Dr. Mary Berry, Assistant Secretary for Education, who will discuss with us the administration's higher education proposals. Following Dr. Berry will be a panel representing the American Council on Education, who will provide us with a reaction to the administration's proposals and some suggestions of their own.

I now defer to the ranking minority member, Senator Stafford.

Opening Statement of Senator Stafford

Senator **Stafford**. I am delighted to participate in these hearings.

I believe our work this year will be crucially important in shaping new directions, especially as the circumstances affecting higher education have changed so much since our last reauthorization.

I hear a lot about desired changes, as Vermont, my State, and I am being a little parochial, has the Nation's highest ratio of colleges to population.

It is clear that Vermont institutions are very interested in expanding opportunities in continuing education, especially as the traditional college-age population is declining. They are concerned about library costs which are climbing faster than the escalating costs of energy even in Vermont. They are facing research facility obsolescence, which similarly restrains the function of creating new knowledge. These situations are all new since last time.

So is the proposal to move the NDEA area study programs into the Higher Education Act. It is remarkable, in today's world, and in light of the international dimensions of higher education, not least in Vermont, that our basic act in higher education has never had an international dimension. There may not be much money involved, but it is time, I think, to give the future of this dimension some overdue attention.

More families are affected, of course, by our student assistance programs than by any other aspect of HEA, and here we face significant and numerous proposals for change. Here, in title IV, we create equitable opportunities for millions of young Americans. Our reforms here will be literally the most far-reaching.

In sum, I expect us to achieve major reform in this reauthorization, both for institutions and for individuals, both along old dimensions and by adding new ones.

So, with this prospect I look forward to hearing our witnesses and join you, Mr. Chairman, in welcoming them.

Senator **Pell**. Thank you very much, Senator Stafford.

We join you in welcoming today Dr. Mary Berry. We have the statement in front of us. I would add there are no page numbers.

Since it is such a long statement it helps if there are numbers.

Dr. Berry, welcome.

STATEMENT OF DR. MARY F. BERRY, ASSISTANT SECRETARY FOR EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, ACCOMPANIED BY AL MOYE, DEPUTY COMMISSIONER FOR HIGHER EDUCATION; AND TOM BUTTS, ACTING DEPUTY COMMISSIONER FOR STUDENT FINANCIAL ASSISTANCE

Dr. **Berry**. I noticed myself that there were no page numbers. We had a minor printing problem which caused my late arrival.

Let me apologize.

I am very pleased to be here to testify to the Subcommittee on Education, Arts, and Humanities. I have with me today Al Moye, who is Deputy Commissioner for Higher Education, and Tom Butts, who is Acting Deputy Commissioner for Student Financial Assistance, and somewhere in the audience is William Blakey, who is Deputy Assistant Secretary for Legislation.

Senator **Pell**. Would they identify themselves?

Dr. **Berry**. Let me just point out, Mr. Chairman, first of all, that this subcommittee has exercised great leadership over the years in bringing this country closer to the goal of providing for all eligible students access to postsecondary education regardless of income, sex, or race.

And this administration, with the strong support of the Congress, has established an outstanding record of achievement in the field of education in the past 3 years. President Carter and the Congress deserve accolades as the most proeducation public officials in our Nation's history.

This record should be underscored.

A year ago Congress passed and the President signed the historic reauthorization of the Elementary and Secondary Education Act which focused and clarified the Federal Government's role in serving the poor, the limited English-speaking and the low-achieving student. The bill, together with significant funding increases, is the best representation of President Carter's heartfelt commitment to insure that our Nation's youth receive an education which is well grounded in the basic skills.

President Carter, in the same session, joined with Congress to pass the Middle Income Student Assistance Act—a measure which extends the benefits of Federal student assistance to many millions of students who had never before been covered.

On Thursday of last week, the Congress completed action on another major Carter administration education initiative—passage of legislation to create a separate Department of Education. The Senate had earlier given its overwhelming support to this legislation.

We now have the opportunity to add to the record of this Congress and this President and help the people of our country by increasing the gains already made in postsecondary education through the Middle Income Student Assistance Act during the reauthorization of the Higher Education Act.

The major proposals which we present to you today include:

An overhaul of the administrative structure, eligibility requirements, and financing of student loans.

Minor modification of the basic educational opportunity grant program otherwise known as the Pell grants, to insure that BEOG's are widely accessible and equitably distributed.

These are modifications. They are simply to say that the maximum award level will be set in the appropriations process and there will be a simple schedule that the most needy will get the most assistance and that one-half of veterans' benefits and one-half of social security will be subtracted from the award. Otherwise, we think the Pell grants are marvelous and we are not proposing any major changes in them.

The other thing we are doing is clarifying and defining the Federal role in supporting developing institutions.

Underlying the President's proposals for higher education are four major concerns.

The first concern is the one that always concerns us, and that is access. We affirm the strong Federal commitments to programs that insure access and some choice to students previously denied educational opportunity. Begun in 1958 with the national defense student loan program, added to in 1965 by the guaranteed student loan and work study programs, and brought to full bloom in 1972 by the basic grant program, these efforts have been uniquely successful. In one decade, the percentage of minority college age population, for example, has grown from 13 to 25 percent. While this is not enough, it is a tremendous change from 10 years ago.

This core purpose of Federal assistance is further enhanced by the companion title IV legislation which authorized upward bound, special services for disadvantaged college students, and other programs designed to bring qualified needy students to college and to promote their chances for retention and graduation. Carrying access one step further—to the graduate and professional levels of education—are the graduate and professional opportunities and OLEO programs authorized by title IX of the Higher Education Act.

Quality. The President is deeply committed to the maintenance and improvement of quality in the Nation's postsecondary institutions. It would be a cruel hoax on the youth of the Nation to provide access to institutions of low quality. We are proposing changes in the title III legislation to focus resources on improving financially weak institutions which offer a large number of poor students the opportunity to obtain a college education. The small private colleges, traditionally black colleges and other struggling institutions served by this program are a great national resource and strongly complement the opportunities offered through the student assistance programs. The President is deeply committed to strengthening those institutions. He has stated that he wants them to be better off when he leaves office than when he came, and he says, "When he leaves," I take it to mean after his second term.

In addition to title III, we offer proposals to strengthen the title II Library programs and the title VIII cooperative education legislation. Together with a strong fund for the improvement of postsecondary education and a lively research and development program at NIE, these parts of the Higher Education Act should continue to provide incentives for the Nation's higher education institutions to improve their quality.

National needs. We recognize the clear need for Federal assistance to institutions in meeting urgent national needs. Critical among these is the responsibility of the Nation to insure continuation of a strong and vital research capacity. Of comparable importance is the task of applying the resources and expertise of the Nation's leading colleges and universities to critical social problems. Housing, transportation, energy, and health are but a few of the areas where far greater collaboration between postsecondary institutions and local governments would prove beneficial. The administration's proposals also address the need for the development of stronger and expanded programs in international studies.

Simplification and efficiency. The fourth theme of our proposals is simplification and increased efficiency. Throughout the legislation we have attempted to:

Eliminate redundant or unnecessary laws;

Reduce paperwork burdens on institutions by eliminating Federal requirements or making them less frequent and onerous;

First, in trying to get rid of the link between accreditation and eligibility because we think that is unnecessary.

We tried to reduce the bureaucracy by eliminating unnecessary advisory councils.

We tried to reduce the burden on students by clarifying the packaging and need analysis system. We have to have a single need concept. We also required that institutions give information to the students as a prerequisite for obtaining Federal aid.

We have also tried in our proposals to help the student financial aid officers to manage their programs more effectively on the campus, to carry over SEO's from one year to the next and by eliminating unnecessary restrictions on packaging and by better targeting the administrative allowances.

These are the basic things about the proposal. I will not attempt to discuss the details of all of them because they are included in my testimony.

But I would like to take a moment or two, if I could, to discuss the known programs and the TRIO programs.

The heart of our proposal and the most significant and far-reaching are in the loan programs. We think that there are major programs with the existing loan programs. One program is that whether a student gets a loan or not depends on which institution the student attends, the geographic area and whether or not the student has a banking account and a relationship with a bank.

The administrative loan program is extremely complex and confusing to all concerned and the default rate continues to bother us. We believe that some of them stem from the inflexible payback terms. We believe that the cost of the program is increasing at an alarming rate which we cannot permit to continue.

I know that considerable attention has been given to this by members of this committee, including Senator Williams and Senator Kennedy and others. You will find in our general ideas for reform in the area of loans there are similarities to the proposals offered by Senators Kennedy and Bellmon and their cosponsors. We are pleased that the similarities exist between what we propose and what has been proposed by Senator Kennedy and others.

We propose that the GSL and the NDSL be restructured into two programs, a basic loan program and a supplemental program.

We will take the Student Loan Marketing Association and replace it with the Government Student Loan Association within the Department of Education. We agonized over what we could call the Government Student Loan Association. We came up with gassy lady but we could not think of anything else. But it is the Government Student Loan Association within the new Department of Education.

This new corporately structured agency would administer the basic loan program which would operate on campus and handle selected administrative functions and provide a secondary market when supplemental loans were not available.

The basic loan programs would give all undergraduate and graduate students, except those in medicine, law, and business, who are attending school half-time or more on the campus access to loans through the institution's student financial aid office to meet any need remaining after the family contribution, available plans, and a $700 student self-help requirement has been applied to the cost of education. The loans would carry interest at the rate of 7 percent or the Treasury bill rate plus 1 percent.

The student would have repayment provisions flexible. All of the student's basic loans would be consolidated for repayment purposes. Capitalization for the program would come from Federal borrowing plus current capital and repaid loans under the national defense student loan program. There would be no State allotment and no requirement for capital investment by the institution. What this means is that right now there are about 3,300 or the 6,000 institutions that could participate in NDSL that do not. They don't because they don't want to put out the capital contribution. The Federal Government would handle the collections and the default and there would be no contribution required by the institution. Loans would be available at campus level.

Right now, many are forced to seek aid from the guaranteed student loan program which does not have a particularly good record in serving this type of student.

We found that 25 percent of these students were unable to find GSL assistance primarily because lenders required a previous banking relationship and they did not have a previous banking relationship with a bank. This would end that problem.

The purpose of limiting eligibility for the basic loan to remaining need is to assure that students have taken advantage of the large and recently expanded grant and work programs and that families continue to help meet educational costs before students assume a loan burden.

We believe that the lowest income student attending low to moderate priced institutions should be assisted primarily with grants and work opportunities, using loans only as a source of last resort. But they, too, would have the choice of attending higher education institutions.

Our supplemental loan program is a modification of the guaranteed student loan program. It is not a need based program. It is based on convenience. If parents do not want to pay their contribution or are not able to do so, they are still able to get a supplemental loan. That is why we propose to have this at an interest rate that is the T-bill, plus one, because it is a loan of convenience. Students do not want to work—they can get a supplemental and meet that $700. It is a loan of convenience and it is not a loan for need.

Capital for that will be provided by State guarantee agencies. The State agencies would have a role to play just as they do now in the collection.

I must say a word about cost in these loan programs. We believe that if you don't change the existing NDSML and the GSL, the way the program costs are going now, they would cost $3.7 million which is an increase of 175 percent. We think that if we have the combined loan program that we are proposing to phase in by 1985, we will save money. We will save $405 million that will save the taxpayers money, that we have to have access to loans available to students, and that we will get more for the resources and we are also maintaining a role for the profit lender.

Those are our loan proposals and they are at the heart of what we are suggesting in this reauthorization.

Mr. Chairman, I wanted to just say one word or two about title III and then I will sum up, if that is permittable.

On title III, the point that I wish to make is that we are concerned about the quality of the program and we recognize that many low income students would go to institutions that are developing institutions and these institutions have played a major role in helping students from diverse economic and racial and ethnic backgrounds.

Historically, black institutions have participated actively in this program. The institutions serving Hispanic and Indian students also have benefited significantly. Community colleges and 4-year baccalaureate State institutions, both public and private, have benefited from the funds awarded over the last 14 years since the program's inception.

What we are proposing is that we clarify the purposes of title III and put them into law for the first time to make clear that what we are doing is focusing on institutions that provide higher education opportunities for low income students, disadvantaged students, and that have few resources to spend on educating these students. We want to focus on this.

We recognize that title III is an institutional aid program and not a student aid program but we believe the institutions that provide opportunities for low income, disadvantage students.

We have increased the authorization for the current program to $200 million which will make more funds available for the many institutions that apply and we also have a new provision, a challenge grant, where an institution goes out and raises money and the Federal Government matches this dollar for dollar as is done with many other institutions.

We believe that clarifying these purposes of the program that exist in title III will take care of the problems.

In summary, I believe that if our proposals that are described in full in my prepared testimony are enacted and if these are combined with efforts to streamline and simplify Federal higher education requirements so students will not be faced with complex forms and restrictions and so that institutions are flexible to be able to exercise reasonable judgment about an inordinate amount of paperwork, that we will reduce further the burden and redtape at all levels of the Federal Government, and that if we do this this administration with the Congress will successfully meet the challenge of the hour, the reauthorization of the Higher Education Act.

In so doing, we will have succeeded in enhancing the Federal role in insuring that all Americans have an opportunity and training, from the elementary to the college level, to make a better life for themselves by helping to build a stronger and greater Nation, and we will have done so without substantially increasing the cost to the taxpayers.

Thank you very much. I will be glad to answer any questions you may have.

[The prepared statement of Dr. Berry follows:]

TESTIMONY OF

MARY F. BERRY

ASSISTANT SECRETARY FOR EDUCATION

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

ON REAUTHORIZATION OF THE

HIGHER EDUCATION ACT OF 1965

BEFORE THE SENATE LABOR AND HUMAN RESOURCES

SUBCOMMITTEE ON EDUCATION, ARTS, AND THE HUMANITIES

OCTOBER 2, 1979

Mr. Chairman and members of the Subcommittee on Education, Arts, and the Humanities

I am pleased to be here today before this distinguished Subcommittee to present President Carter's proposals for reauthorizing postsecondary education programs.

This Subcommittee has exercised great leadership over the years in bringing this Nation closer to the goal of providing access to postsecondary education for all eligible students -- regardless of income, sex or race.

And this Administration, with the strong support of the Congress, has established an outstanding record of achievement in the field of education in the past three years. The President and the Congress deserve accolades as the most pro-education in our Nation's history.

This record should be underscored.

- A year ago Congress passed and the President signed the historic reauthorization of the Elementary and Secondary Education Act which focused and clarified the Federal government's role in serving the poor, the limited-English speaking and the low-achieving student. The bill, together with significant funding increases, is the best representation of this President's heartfelt commitment to ensure that our Nation's youth receive an education which is well grounded in the basic skills.

President Carter, in the same session, joined with Congress to pass the Middle Income Student Assistance Act--a measure which extends the benefits of Federal student assistance to many millions of students who had never before been covered.

On Thursday of last week, the House completed action on another major Carter Administration education initiative -- passage of legislation to create a Cabinet-level Department of Education. The Senate had earlier given its overwhelming support to this legislation.

We take pride in what has been accomplished in the name of this country's higher education system. Some 3,000 colleges and universities, both public and private, now educate some 12.6 million students or three of every eight 18-24 year olds. Two million other students are enrolled in postsecondary occupational programs. Expenditures in postsecondary education will be about $57 billion in 1980, compared with $12 billion in 1965, when the Higher Education Act was first passed.

We now have the opportunity to add to the record of this Congress and this President and help the people of our country by increasing the gains already made in postsecondary education through the Middle Income Student Assistance Act during the reauthorization of the Higher Education Act.

The major proposals which we present to you today include:

- An extensive overhaul of the administrative structure, eligibility requirements, and financing of student loans.
- Modification of the Basic Educational Opportunity Grant Program to ensure that BEOGs are widely accessible and equitably distributed.
- Clarification and definition of the Federal role in supporting developing institutions (Title III).

THE BASIC THEME

Underlying the President's proposals for higher education are four major concerns:

- Access. We affirm the strong Federal commitment to programs that ensure access and some choice to students previously denied educational opportunity. Begun in 1958 with the National Defense Student Loan program, added to in 1965 by the Guaranteed Student Loan and Work Study programs, and brought to full bloom in 1972 by the Basic Grant Program, these efforts have been uniquely successful. In one decade, the percentage of minority college age population, for example, has grown from 13 to 25 percent. While this is not enough, it is a tremendous change from 10 years ago.

This core purpose of Federal assistance is further enhanced by the companion Title IV legislation which authorized Upward Bound, Special Services for disadvantaged college students, and other programs designed to bring qualified needy students to college and to promote their chances for retention and graduation. Carrying access one step further --to the graduate and professional levels of education --are the Graduate and Professional Opportunities and CLEO programs authorized by Title IX of the Higher Education Act.

- Quality. The President is deeply committed to the maintenance and improvement of quality in the Nation's postsecondary institutions. It would be a cruel hoax on the youth of the Nation to provide access to institutions of low quality. We are proposing changes in the Title III legislation to focus resources on improving financially weak institutions which offer a large number of poor students the opportunity to obtain a college education. The small private colleges, traditionally black colleges and other struggling institutions served by this program are a great national resource and strongly complement the opportunities offered through the student assistance programs. The President is deely committed to strengthening those institutions. In addition to Title III, we offer proposals to strengthen the Title II Library programs and the Title VIII Cooperative Education legislation. Together with a strong Fund for the Improvement of Postsecondary Education and a lively research and development program at NIE, these parts of the higher Education Act should continue to provide incentives for the Nation's higher education institutions to improve their quality.

- National Needs. We recognize the clear need for Federal assistance to institutions in meeting urgent national needs. Critical among these is the responsibility of the Nation to ensure continuation of a strong and vital research capacity. Of comparable importance is the task of applying the resources and expertise of the Nation's leading colleges and universities to critical social problems. Housing, transportation, energy, and health are but a few of the areas where far greater collaboration between postsecondary institutions and local governments would prove beneficial. The Administration's proposals also address the need for the development of stronger and expanded programs in international studies.

- Simplification and Efficiency. The fourth theme of our proposals is simplification and increased efficiency. Throughout the legislation we have attempted to:

  -- Eliminate redundant or unnecessary laws;

  -- Reduce paperwork burdens on institutions by eliminating Federal requirements or making them less frequent and onerous;

  -- Reduce bureaucracy by eliminating unnecessary advisory councils;

  -- Reduce burdens on students by clarifying the packaging and need analysis systems, by simplifying the forms, and by increasing students' access to information; and,

  --Help student aid officers manage their resources more effectively by allowing them to carry over funds from one funding year to the next, by eliminating unnecesary packaging restrictions, and by better targeting the administrative allowances.

LEGISLATIVE PROPOSALS: ACCESS

Let me turn now to the Administration's proposals for the student financial aid programs, the TRIO programs, and the Graduate/Professional Opportunities and Council for Legal Education Opportunity (CLEO) Programs.

THE STUDENT FINANCIAL AID SYSTEM

LOANS

By far the most significant of the Administration's proposals relate to the loan programs.

Briefly summarized, the major problems with the existing loan programs are:

- Loan accessibility varies considerably depending on the institution which a student attends, the geographic area in which he or she resides, and whether or not his/her family has a good banking relationship.

- The administration of these programs is extremely complex and confusing to all concerned.

- Defaults -- often resulting from inflexible repayment terms -- are still too high.

- Federal costs of the programs (based largely on interest subsidies) are increasing at an alarming rate.

I would like to acknowledge the considerable attention which has already been given to these problems by members of this Committee, including Senators Williams and Kennedy. You will find that the Administration's general ideas for reform in this area bear similarities to the the student loan proposal offered by Senators Kennedy and Bellmon and their co-sponsors.

The Administration proposes that the Guaranteed Student Loan Program and the National Direct Student Loan Program be restructured into a Basic Loan Program and a Supplemental Loan Program. The Student Loan Marketing Association (Sallie Mae) would be replaced by a government agency (The Government Student Loan Association) within the new Department of Education. This new corporately-structured agency would administer the Basic Loan Program and would handle selected administrative functions and provide a secondary market for the Supplemental Loan Program.

- Basic Loan Program. This program would provide all undergraduate and graduate students (exclusive of graduate students in medicine, law and business professions) who are attending half-time or more, with access to loans through their institution's student financial aid office to meet any need remaining after the family contribution, available grants, and a $700 student self-help requirement have been applied to the cost of education. The loans would carry interest at the rate of 7 percent or the Treasury Bill rate minus 1 percent, whichever is less, and be available up to annual and aggregate limits of $3,750 and $12,500, respectively, for undergraduates, and $5,000 and $25,000, respectively, for graduate students. Interest payments would be forgiven for undergraduates but only deferred for graduate students while they are enrolled in school and during an initial four-month grace period. All of a student's Basic Loans would be consolidated for repayment purposes. The repayment period would vary with the student's total debt. The terms of repayment would be flexible, thereby reducing the likelihood of defaults. Students would be entitled to graduated or equal installment schedules, and the schedules could be altered based on hardship. Capitalization for the program would come from Federal borrowing plus current capital and repaid loans under the NDSL program. There would be no State allotment formula, and no requirement for capital investment by the institution.

Mr. Chairman, we believe that our Basic Loan program builds upon the best features of the present National Direct Student Loan Program (NDSL) and remedies its most glaring deficiencies. Loans will be based on need with the financial aid officer determining the amount of the loan and dispensing the funds in the same manner as the current NDSL program. However, the availability and equitable distribution of loan capital will be assured by the Federal government. And servicing and collection functions, which many schools find costly as well as onerous, will be assumed by the proposed Government Student Loan Association.

One of the major weaknesses of the current NDSL program is that only about 3,300 of the 6,000 eligible institutions choose to, or are able to, participate--both because of the burden of loan collection and the requirement of institutional capital investment. In addition, many needy students are denied access to NDSL since the NDSL program's original goal of establishing a self-financing revolving fund has not been achieved; and there are problems with current allocation formulae.

Thus, many needy students are forced to seek aid from the Guaranteed Student Loan program, which does not have a particularly good record in serving this type of student. Even at schools which have NDSL funds, some students are steered toward GSLs in order to conserve those funds. In the GSL program, loan access continues to be spotty, primarily because of lender restrictions. (A recent study found that 25 percent of the students polled were unable to find GSL assistance - primarily because lenders required a previous banking relationship.)

The purpose of limiting eligibility for the Basic Loan to "remaining need" is to assure that students have taken advantage of the large, and recently expanded grant and work programs, and that families continue to help meet educational costs before students assume a loan burden. We believe that the lowest income students attending low to moderate priced institutions should be assisted primarily with grants and work opportunities, using loans only as a source of last resort. But, they too, would have the choice of attending higher education institutions.

Because of the vast expansion in Federal grant and work programs as well as changing economic conditions, the current NDSL interest rate of 3 percent is hopelessly out-of-date and exceedingly costly to the taxpayer. In 1958, except for Veterans Assistance, NDSL was the only Federal program of general assistance to students. Today, these programs total over $5 billion. During this time, the role of NDSL has changed so that grants -- rather than loans -- have become the basic source of financial support for low-income students. Also, in 1958, 91-day Treasury bills were about three percent. Today, they are almost 10 percent and unsecured personal loans range up to 18 percent. In light of these changes, we propose an interest rate of 7 percent (or 1 percent below the Treasury Bill rate, whichever is lower) for the Basic Loan -- a rate still several points below the current rate for commercial loans or home mortgages.

. Supplemental Loan Program. In contrast to the need-based Basic Loan program, the Supplemental Loan Program would provide "loans of convenience" to assist students and parents with liquidity problems in meeting the expected parent contribution, the self-help requirement of the Basic Loan Program, or in general, meeting educational costs that cannot be met in other ways. For the first time parents would be able to obtain relatively low interest loans under government guarantee to help meet their expected contributions. Loan amounts would be limited in two ways. Students could not borrow more than their cost of education minus any Federal, State or institutional grant aid received. The amount of the Supplemental Loan, when combined with any Basic Loan received, could not exceed $5,000 per year and $20,000 in the aggregate for undergraduates or $10,000 per year and $40,000 in the aggregate for graduate students (inclusive of undergraduate loans). Because the Supplemental Program provides loans of convenience, the interest would be set accordingly -- at the Treasury Bill rate plus 1 percent, set at the time the loan is taken out. Interest payments would be deferred --not forgiven -- while the student is in school and during grace and deferment periods. This interest rate and the Federal guarantee would still represent significant Federal subsidization. The current 7 percent GSL interest rate was set at a time when this rate was close to the general market level. The Federal "special allowance" payment now paid to banks above the student's interest level is a major factor in the program's escalating costs to the taxpayer.

Capital for the Supplemental Loan Program would be provided by private lenders, with loans being insured by State guarantee agencies and reinsured by the Federal government, as in the current GSL program. Lenders would receive a flat special allowance of 2.5 percent to keep Supplemental Loans competitive with other banking investments.

In addition to changing the GSL program to a clearly supplemental loan program, we also are proposing a number of amendments to the existing legislation which are designed to simplify and improve the administration of the program and improve loan accessibility. (A complete discussion of these proposals is included in the appendix to my remarks these proposals is included in the appendix to my remarks today.)

Our major reasons for proposing that a government corporation take over the current secondary market functions of the Student Loan Marketing Association are:

- Sallie Mae's private for-profit status has tended to divert it from its public service mission. The proposed Supplemental Loan program will require the assured availability of secondary market support for all lenders.

- Sallie Mae's profits are largely based on Federal guarantees and subsidies and can be viewed as lost resources which should be retained in the business of providing student loans.

- Sallie Mae's activities are almost entirely independent of public policy oversight.

- The system we envision for the proposed Basic Loan Program (e.g., use of Treasury financing, collection and servicing contracts) is very similar to current operations of Sallie Mae. Maintaining two separate agencies with similar public functions would be il-logical and inefficient.

- The use of one institution as both Supplemental Loan secondary market and Basic Loan owner/collector would facilitate repayment schedule consolidation for students who have taken out both kinds of loans.

- Cost of the new loan structure. With the changes we are proposing in the level of Federal subsidization in the two major loan programs, the Federal costs related to any given loan volume would be significantly reduced. We estimate that an average $1,000 GSL loan made in fiscal year 1981 will cost the taxpayer about $575 (including a discount for inflation). A similar Basic Loan volume would cost about $355 and a similar Supplemental Loan volume about $190.

  Without change, the costs of the current programs are expected to increase from $1,400 million in 1980 to $3,740 million in 1985, an increase of almost 175 percent. Under the Adminstration's proposal, the combined loan program costs (including costs of outstanding GSLs) would increase from $1,500 million in 1980 to $3,335 million in 1985. As the Basic Loan program is phased in, the costs of old GSLs are phased out, and repayments of Basic Loans (with lower Federal subsidies) become more significant, the changes we are proposing will begin to result in real savings by about fiscal year 1985. We expect a net savings of about $405 million in that year. Over the long haul, the new program would save money while providing far more equitable distribution of student loans than could be obtained under existing programs. (A complete cost analysis of those proposals will be submitted for the record.)

I would like to emphasize that under our proposals, schools, private lenders, and State agencies, whose efforts have been crucial to the success of these programs in the past still would be counted on to do the jobs that each does best. State agencies would retain their current roles in the Supplemental Loan program (insuring loans, collecting defaults promoting lender participation, and providing various lender services). In addition, the SSLA may choose to contract with elected state agencies for the collection and servicing of Basic Loans. In the Basic Loan program, all schools would still have important responsibilities in the areas of loan disbursement, packaging and counseling. Those schools which have done a good job in the areas of loan administration and collection could also continue to perform these functions, if they choose to do so, as agents for the GSLA. The proposed new Government Student Loan Association would simply provide improved, centralized financing and closer administrative coordination of the two major loan programs.

Although the Administration's loan proposals do involve some adjustment in borrower interest rates and level of Federal subsidization, we do not believe that these changes will be burdensome for either parents or students. Given longer and more flexible repayment periods and more closely controlled collection efforts, defaults should be significantly reduced. Even without considering the devaluing impact of inflation on repayment amounts, income tax benefits, or longer and more flexible repayment plans, the increased monthly payments are not unreasonable. For example, a $1,000 sophomore year Basic Loan (7 percent interest) would cost approximately $20 per month rather than $18 per month for a similar NDSL (3 percent interest) repaid in equal installments over 5 years. A similar $1,000 Supplemental Loan (T-bill rate plus one percent interest) would cost approximately $26 per month instead of $20 per month for a GSL under current terms (7 percent interest).

I also would like to emphasize that our loan proposals continue to be eligible for 7 percent loans with interest forgiven during school - to the extent of their "remaining need." These loans would be subject to graduated repayment schedules of up to 20 years and loan access would be assured - benefits not now available under either NDSL or GSL. Moreover, we feel that limiting highly subsidized loans to students with demonstrated need is simply a more equitable way of investing limited Federal tax dollars.

NEED ANALYSIS AND PACKAGING FRAMEWORK

One of the primary goals in the reauthorization of student aid programs has been to make life easier for students, their parents, and student financial aid officers by simplifying application forms and need analysis and by making packaging procedures more predictable and equitable.

- Single need analysis system. As you know, there are two major methods currently in use for the calculation of a family's expected contribution to the student's education -- the Basic Grants Family Contribution Schedule and the Uniform Methodology.

One methodology must be used for the Basic Grant program to determine eligibility for students, while the other is frequently used for Federal campus-based programs, and those supported by States and institutions. This use of two different methods to distribute Federal aid causes complexity and confusion because they result in different expected family contributions.

The Administration seeks statutory authority to develop and implement a single need analysis system for all Federal need-based student aid programs. The need analysis system would be subject to Congressional review, as is the case with the present Family Contribution Schedule used for the Basic Grant program.

- Single application form, processed at no fee to the student. Students, parents, and institutions have been plagued by complexity and confusion resulting not only from multiple need analysis systems, but also from the multiple application forms required to obtain Federal, State, and institutional aid.

With the support and cooperation of this Subcommittee and in full consultation with the student financial aid community, the Administration is implementing for academic year 1980-81 a single form by which a student may apply for need-based Federal, State, and institutional aid. While the implementation of this single form clearly falls within the scope of the Department's administrative authority, we hope that the Congress will want to ensure the continuation of the single form in future years by mandating it in the statute. The Federal government -- not the student -- would pay for processing the legislatively-mandated form.

- Packaging Framework. Packaging of student aid programs for an individual student is best handled at the institutional level so that student financial aid officers can exercise discretion in this process. For this reason, we have resisted inflexible, Federally-imposed packaging rules. However, our proposals do suggest a framework for packaging student aid. This structure has three parts:

  -- The Basic Grant remains the foundation of the package.

  -- A need-based loan is the last layer of the package --the amount of this loan being the remainder after the family contribution, all other available sources of financial aid, and a standard contribution from student self-help are subtracted from the student's cost of education.

-- To qualify for a need-based loan, the student would normally contribute $700 worth of self-help, in the form of Work-Study, unsubsidized work, or a loan that is not need-based.

The student aid officer would have discretion to waive the self-help requirement in unusual circumstances and would retain responsibility for deciding how much and what type of aid should fill out this basic framework for a given individual.

These three parameters, coupled with the common need analysis system, will reduce confusion and improve the ability of students and parents to predict the amount of financial obligations they will be expected to assume at schools in various cost ranges.

STUDENT ELIGIBILITY

The Administration has developed a number of proposals aimed at clarifying the purpose and target population to which student aid dollars are directed.

. Attendance status. The Administration proposes to retain the current requirement that a student be enrolled in postsecondary education at least half-time to be eligible for Federal student aid. We believe that these students are the most needy and are most likely to attain a degree, in a reasonable period of time, thereby maximizing the benefits to society and the individual from the Federal investment in student aid.

. *Standards of academic progress*. To avoid program abuse by institutions and students, the Administration proposes that a student must successfully complete at least 50 percent of the course load undertaken using Title IV aid during a given period of enrollment in order to be eligible for Federal aid in a subsequent period of enrollment. This requirement would be waived for demonstrated hardship circumstances.

. *Definition of dependent student and independent student*. In order to ensure that parents continue to assume some responsibility for their children's college costs, the Administration proposes that all individuals under the age of 22 will be regarded as *dependent* students -- whether claimed on their parent's income tax form or not -- *unless* these students are married or have dependents of their own. Financial aid officers would retain the ability to waive the expected family contribution for dependent students under unusual family circumstances.

INSTITUTIONAL ELIGIBILITY

The Administration has searched for the most efficient and least intrusive mechanisms to ensure that the institutions which benefit from Federal student aid dollars are in fact meeting student needs.

- Accreditation. Our accreditation proposal affects institutions applying for all Higher Education Act programs, not just the student aid programs.

Let me clarify the changes we are proposing to the existing statute. Under the existing statute, an institution seeking eligibility for a program authorized by the Higher Education Act must go through a two-step process. First, it must meet a number of specified threshold eligibility requirements. The institution must be legally authorized by the State in which it is located and must be accredited by a nationally recognized accrediting agency listed by the Commissioner. It also must meet statutory requirements related to level of program offerings; type of student admitted; type of control (public, private nonprofit, proprietary); and -- for proprietary institutions --length of existence. The institution also must meet the detailed statutory and regulatory requirements of the specific program for which it is applying.

The Administration's proposal would change the first step of this process. We would eliminate the statutory requirement for accreditation and the related statutory requirement for the Commissioner to publish a list of approved accrediting agencies. The other threshold eligibility requirements and the specific programmatic requirements would remain unchanged in the law. No new statutory requirements for State involvement are included in the Administration's proposal.

As a result of our proposed changes, we expect that private accrediting agencies not only will continue to exist but also will discover new vitality and effectiveness in at least two important ways.

First, the proposal will free accrediting agencies to focus on their central mission--assessing the quality of education. Currently, accrediting agencies are deflected from this important task by intrusive Federal regulations which require them to take on activities that are unrelated to the assessment of quality.

Second, the proposal makes it easier for accrediting agencies to withhold accreditation status from poor quality institutions. Under the current system, accrediting agencies are reluctant to withhold accreditation from an institution because the agency's action bars the institution from receiving Federal funds.

We believe that the specific programmatic eligibility requirements that Congress has added to the law over the last decade are adequate means to ensure responsible institutional management of Federal funds.

With the continued and enhanced activities of private accrediting agencies and continued Federal enforcement of existing programmatic eligibility requirements, we expect neither a decline in quality nor an increase in fraud and abuse to result from the Administration proposal.

I want to emphasize that our proposal recognizes several essential facts:

- The present system of determining eligibility for participation in Federal programs based on accreditation does not assure the quality of education at Commissioner certified institutions.
- The system cannot be reformed to actually assure quality without significantly extending the Federal

role and intruding into areas which should be left to private institutions and the States;

- Our proposal to sever the link between eligibility for Federal assistance and private accreditation strengthens the ability of accrediting agencies to make careful, honest judgments about "quality" of education at postsecondary institutions by reducing the threat that accrediting agencies represent to institutional access to Federal education funds, especially student financial assistance.

- Student Information. The Administration proposes to make the existing student information requirements found in Section 493A a prerequisite for institutional eligibility for student aid programs (rather than simply a way in which institutions receiving adminstrative cost allowances must use these funds). In addition to those information items presently required, all institutions will have to provide information about services and facilities for handicapped students. Those institutions that prepare students for employment in specific fields will have to provide placement data on recent graduates.

- Fraud and Abuse. The Administration recommends that Title IV clearly enumerate standards of administrative and fiscal responsibility as a prerequisite for institutional eligibility for student aid funds. These standards would include requirements for a fair and equitable refund policy and institutional cooperation in providing validation and record-keeping support for student financial aid programs.

- Administrative cost allowances. The Administration feels that a reliable source of funds should be available to help institutions which meet the eligibility requirements cover expenses associated with the administration of Federal student aid funds. To accomplish this goal, the Administration recommends that institutions should receive $10 for each Title IV financial aid recipient per academic year.

Summary

Our loan proposal addresses the problems that have plagued our current loan system. In summary, the Administration proposal:

- Ensures student access to need-based loans and makes loans of convenience available to most students and parents.

- Complements the Federal need-based grant and work-study programs.
- Reduces complexity and confusion for students.
- Improves loan program administration at the Federal and institutional levels.
- Reduces the long-term Federal costs of providing student loans.
- Reduces the likelihood of default.

GRANTS

Our approach to preparing legislative proposals for the grant programs was quite different from the restructuring we undertook with the loan programs. The grant programs have worked well and do not require consolidation, elimination, or other major changes.

Additionally, any proposals for changes in Basic Grants should be considered against the backdrop of the important and substantial changes made in this program in the Middle Income Student Assistance Act of 1978.

Through this Act, this Committee working closely with the House and the Administration, expanded eligibility for Basic Grants and made several structural improvements in the program. Students with family incomes between $18,000 and $25,000 are now eligible for grants and the total costs of the program have been increased by about $1.36 billion. Given these changes -- and the increased benefits of the program -- it is our view that only minor further changes in Basic Grants should be made in this reauthorization. As a result, we have concentrated on clarifying purpose and improving administration in our proposals.

Basic Educational Opportunity Grants

The Basic Grant should remain the foundation of student aid. We propose changes in the following areas.

- Award maximum and reduction schedule. We propose that the Basic Grant maximum award should be set at the level required to exhaust appropriations while fully funding all entitled students -- unless this level is less than $1,800 (or the previous year's maximum award), in which case reduction language would come into play. This reduction language would be significantly simplified while retaining the current principle that the neediest student would be most protected.

- Treatment of Veterans Education Benefits and Social Security Benefits to Students. Basic Grant recipients who also receive education benefits from the Veterans Administration and /or the Social Security Administration frequently wind up with combined financial assistance that exceeds their cost of education. To remedy this situation, we propose to reduce a student's BEOG award by an amount equal to half of V.A. education benefits plus half of the Social Security benefits received by the student.

- Average costs. To reduce the administrative burden on institutions and student aid officers, the Administration proposes to permit them to use a school-wide average of tuition and room and board charges, instead of the actual charges for each student, in calculating Basic Grant awards.

Our proposals include no recommendations for changes in the so-called "half-cost" rule in Basic Grants. We have reviewed this issue thoroughly and reached the conclusion that its elimination would be costly, would create other inequities in the distribution of grants, and could have an inflationary effect on tuition.

We were not persuaded that the benefits of correcting the "inequities" created by this provision outweigh these other negative effects. While we are aware that the higher education community has proposed a gradual elimination of the provision, we should point out that their proposed changes would not only require very large increases in the budget of this program, as much as $1 billion by our estimates, but maintain the "inequities." Their proposal, together with other changes incorporated in the House reauthorization bill, would increase costs by almost $2 billion, an amount which we feel is unrealistic in the face of overall budget constraints.

Supplemental Educational Opportunity Grants

The Supplemental Educational Opportunity Grant Program should continue to meet special financial needs which cannot be considered in making awards under a formula driven program like Basic Grants. The Administration proposes four modifications to the Supplemental Grant Program.

- Annual and aggregate maximum award. In recognition of the increased costs borne by today's students, the Administration proposes to increase the maximum annual SEOG award from $1,500 to $2,000 and the aggregate SEOG maximum from $4,000 to $8,000.

- Distinction between initial year and continuing year funds. To ease the administrative burden for institutions and student aid officers, the Administration proposes to eliminate the separate funding for Initial and Continuing Year SEOG awards.

- Five percent carry-over. As another step to make life easier for aid officers and institutions, the Administration proposes to allow institutions to carry forward up to 5 percent of their SEOG funds from one funding year to the next.
- Procedures for determining off-campus living costs. The GAO has discovered wide, often unexplainable variations among schools in the living costs allowed for off-campus students in calculating award amounts under the campus-based programs. To prevent less scrupulous schools from obtaining an unwarranted share of the campus-based funds, the Administration seeks statutory authority to set specific procedures for schools to follow in determining living costs for off-campus students. They will include data gathering procedures to determine reasonable costs for transporation, books, room, board, and miscellaneous living expenses.

- State Student Incentive Grants. The State Student Incentive Grant program has stimulated the development of need-based student aid programs in all States. However, the program provides insufficient incentives for States to increase the size of these programs. The Administration proposals for this program are designed to increase incentives for new State investment in student aid and to simplify the administration of the program.

- Increased State matching requirements. The Administration proposes that only State funds in excess of the amount contributed by the State to SSIG in the previous year will receive a dollar-for-dollar Federal match. The rest of the State's SSIG contribution will be matched at 80 percent the first year this proposal takes effect and by a rate that decreases 20 percent the subsequent year, until there is no Federal match of "old" funds.

- Distinction between initial and coming year. We propose to eliminate the distinction between initial and continuing year funds in the SSIG program as well as the SEOG program.

Work-Study

Like the grant programs, the College Work-Study Program (CWS) is working well and requires few legislative changes. We propose two modifications to the program.

- Five percent carry-over. We propose the same 5 percent carry-over provision in CWS that we proposed for the SEOG program.

- Language encouraging new uses of CWS. The Administration proposes to include language in the CWS statute encouraging institutions to:

  - Send CWS participants into junior and senior high schools to inform secondary school students and their parents about Federal student aid and to provide tutoring to needy students.

- Place more handicapped students in CWS jobs.

- Create CWS jobs that provide services needed by handicapped students such as reading for the blind, interpreting for the deaf, and pushing wheelchairs.

The Special Services Programs

The Special Services programs are an essential complement to the financial aid programs. The incorporation of these programs in Title IV with the various financial aid programs stresses the interdependence. We are pleased with the overall accomplishments of the Special Services Programs. The proposals below are designed to simplify the delivery system and to clarify the target population of these programs.

- Consolidation of Talent Search (TS) and Educational Opportunity Centers (EOCs). Talent Search and Educational Opportunity Centers perform similar services. The Administration proposes to merge them into a single program targeted on geographical locations with high concentrations of low-income residents. Although all residents of the targeted area may apply to the new program, first priority for service will be given to the lowest income students.

o Clarification of eligibility requirements for each Special Services program. There is also a significant need to clarify the eligibility language for each of the Special Services programs. To that end, the Administration bill has incorporated introductory language followed by specific eligibility requirements for each of the programs. The following programs are included in the Administration's student service proposal.

- The Upward Bound (UB) program serves only secondary school students from families with incomes not exceeding 150 percent of the prevailing poverty index.
- The Special Services programs serve both economically and educationally disadvantaged students -- with at least two-thirds of the students being both educationally disadvantaged and from families with incomes not exceeding 150 percent of the poverty

index. Up to one-third of the students may possess only one of these two characteristics.

- The new program combining Talent Search and Educational Opportunity Centers requires all applicants to come from designated geographic areas with high concentrations of low-income residents, with highest priority for service being given to the lowest income applicants.

We are convinced that the Administration proposals for the Special Services programs will improve the administration of these programs and will remove confusion relative to the eligibility of the various populations to be served. It should be noted that careful consideration has been given to requiring that those to be served should be first generation college students, as well as coming from low-income families. It is our conviction, after careful study, that the eligibility criteria in the Administration bill clearly delineate the population to be served by each of the programs and that the introduction of the first generation requirement creates unnecessary administrative complexity for both project managers and the clientele to be served.

In addition, the Administration proposes the elimination of the Service Learning Center authority. This authority was established by the Education Amendments of 1976, but it has never been funded. The lack of appropriations for this activity stems from the fact that it would significantly duplicate services authorized and provided under the Special Services for Disadvantaged Students program.

o The Graduate and Professional Opportunities Program (GPOP) and the CLEO Program. The Administration will continue its philosophical and budgetary commitment to the Graduate and Professional Opportunities Program and the CLEO Program. These programs require no legislative changes.

LEGISLATIVE PROPOSALS: IMPROVEMENT OF QUALITY

These proposals address specific concerns which will ensure that the intended audience for each program is reached and that efforts to equip and retain students are efficiently continued. To that extent, the Administration proposals will help to assure a fundamental level of quality in educational programs and the opportunity to explore new approaches to integrating work and education. Together with the Fund for the Improvement of Postsecondary Education and the proposals addressing national needs in the next section, they have considerable impact on all of the nation's higher education institutions.

Title III: Strengthening Developing Institutions

This program has played an important role in strengthening this Nation's small public and private colleges which serve students from diverse economic, racial, and ethnic backgrounds.

Historically black institutions have participated actively in this program. Institutions serving Hispanic and

Indian students also have benefited significantly. Community colleges and four-year baccalaureate institutions, both public and private, have benefited from the funds awarded over the last 14 years since the program's inception. In keeping with the Administration's commitment to assist and strengthen these developing institutions, we are proposing a $250 million dollar program for developing institutions -- more than double the current authorization level.

Unfortunately, neither the original legislation nor subsequent reauthorizations defined either a clear purpose or a focused clientele for this program. In recent years, as the Subcommittee is aware, there has been increasingly sharp competition for the limited funds available. This increased demand from a wide variety of institutions has shown even more dramatically the need to clarify the purpose of and the clientele for the Title III program. To this end, we are proposing that a new and more precise definition of developing institutions be included in the law.

Our experience with administering the Title III program over the past decade has highlighted several weaknesses which our proposal addresses. Many institutions have received Title III funds for over a decade without demonstrably becoming stronger. Nothing in the current legislation encourages recipients of Title III funds to develop or implement long-range plans which will promote their economic self-sufficiency. The General Accounting Office has been especially critical of this situation.

Moreover, the existing law did not encourage States to assume concurrent responsibility for strengthening public developing colleges through careful planning. Close cooperation from the States is necessary in order for many of these institutions to move toward academic and fiscal self-sufficiency.

The Administration's recommendations will remedy these weaknesses. Our proposals:

- Clarify the purpose of Title III and the institutions eligible for assistnce. We are proposing that this program be directed toward strengthening those colleges which provide higher education opportunities for substantial percentage of low-income, disadvantaged students, and which are able to spend only modest amounts to educate these students. Also, the Administration's proposed legislation indicates that this program is intended to help these institutions become self-sufficient. We also propose that the 24 percent set-aside for community colleges be retained.

Our proposals, then, are consistent with the program regulations developed last year, and will not alter the present group of eligible institutions.

- Increase substantially the authorization level for the current program, from $120 million to $200 million annually, with a separate $50 million authorization for Challenge Grants.

- Focus program resources on meeting measurable goals which the institution determines for itself and describes in an institutional long-range plan. The Administration's proposal continues our current practice of requiring all applicants for Title III funds to develop and submit a long-range plan which describes a strategy for moving the college toward self-sufficiency. Grants would be made only for those activities which would work toward achievement of the goals specified in the long-range plan. We would continue to permit, but would not require, a Title III institution to form cooperative arrangements with other institutions or assisting agencies to achieve specific goals. The institution may choose to apply for a one-to-three year grant or a long term (four-to-seven year) grant. While institutions receiving a one-to-three year grant would be permitted to receive a subsequent grant, institutions which opt for the long-term grant would be limited to one-time funding.

- Encourage State and private sector investment in developing institutions through a new "Challenge Grant" program component. We propose to add to the established Title III program a new initiative -- with a separate annual authorization of $50 million over and above the proposed $200 million authorization for the regular program -- that would stimulate a partnership between the Federal government and the States in the case of public institutions, and the Federal government and the private sector in the case of private institutions. Developing institutions with graduate schools are eligible to participate in this program.

As we look to a future of financial pressure on all institutions of higher education, the public interest requires that all parties with a stake in the survival and future development of these institutions accept a fair share of the responsibility for their encouragement and support. Under the proposed Title III Challenge Grant Program, available Federal funds will flow only to public and private institutions when State and private sources, respectively, are willing to provide 50 percent of the requested supplemental Title III grant.

Title II: Strengthening Libraries

Strong and up-to-date library collections are the hallmark of high quality institutions. The rapidly expanding number of books and journals, together with decreasing financial resources, have in recent years made it difficult for colleges and universities to maintain the quality of their libraries.

Title II has aided the institutions considerably, but it is a blunt instrument. Its core support program does not distinguish between the needs of Harvard and a small struggling college; the research and development programs are awkward and tied together with formulas and a set-aside which do not allow careful targeting of funds. Further, the language of the title does not encourage active use of new technology or strategies to bring efficiency to library retrieval or to provide access to important but esoteric volumes. To meet these needs, we have worked very closely with all members of the library community to develop a simple but significant proposal.

- Target general library support to needy institutions. We propose to target the basic library support authority on college libraries that are most in need of support to improve their resources. Rather than give $3,900 to every applicant institution (including Harvard, Berkley, and Yale) as we did this year, this new provision would allow us to give greater amounts of money to institutions with the weakest collections.

Title VIII: Cooperative Education

Over the past years, we have seen more and more evidence of the effectiveness of carefully structured education and work experiences. A recent evaluation of Title VIII indicates strong positive effects on retention of students in college. Clearly effective, cooperative education programs require substantial front-end investments from institutions. In a time of fiscal restraint, this impedes the adoption of these programs. In addition, the present Title VIII has an arbitrary maximum grant level which makes it necessary for an institution to focus the use of Federal Cooperative Education funds on a single program or school within the institution and impedes the development of cooperative education throughout the entire institution. To address these problems, we are making a modest proposal to:

- Promote institution-wide cooperative education programs. The Administration proposes to eliminate the current limit on the size of institutional awards. This will permit larger awards to those institutions that want to establish cooperative education in more than one part of the institution.

LEGISLATIVE PROPOSALS: NATIONAL NEEDS

In addition to legislative changes to enhance access and quality, the Administration is also proposing a number of statutory changes to address special national needs. These needs include strengthening the nation's research capability, stimulating first-rate international education programs, and harnessing university resources in the solution of social problems.

Assuring Strong Basic Research Capacity

The President has expressed a strong commitment to ensuring that our nation's principal universities maintain a high quality research capability. This nation is heavily dependent on the research performed by these universities, for this research has increased America's industrial productivity, fought disease, and kept our country secure. The research likewise has affected the knowledge taught in our schools, as well as the method by which it is taught. In addition to performing this valuable service, these universities also train the researchers who will strive to find answers to the problems which remain to be solved.

Unfortunately, a number of pressures have converged in recent years which make it increasingly difficult for universities to provide the supporting resources necessary to sustain the rsearch enterprise already in place, much less build on existing strengths. Equipment costs have increased and old equipment has broken down. Facilities built 20 years ago have aged and decayed; and costs of maintaining adequate research libraries have greatly increased. The Higher Education Act programs cannot address all of these problems. Many require a coordinated governmental effort. Nonetheless two initiatives in this area demand your attention:

- Upgrade research facilities and equipment. We propose to include in Title VII a coherent authority to address the research facility and equipment needs of America's major research universities.
- Strengthening Research Libraries - Title II-C. We propose to maintain the research library authority in Title II.

Both of these proposals were high on the list of recommendations by a group of the Nation's major and prestigious universities in a 1978 report. Together with the improved availability of loan capital made possible for graduate students by our loan recommendations, these two proposals represent a start toward meeting critical national research needs.

International Education: Title VI of the National Defense Education Act

The current International Education programs have effectively served the function of stimulating first-rate international studies at colleges and universities throughout the Nation. These HEW programs have not reached out, however, to professional schools in business and other fields; nor have they led to the development of strategies for meeting the foreign language and international study needs of teachers in elementary and secondary schools throughout the Nation. To meet those needs, the Administration proposes to:

- Expand the authority of NDEA VI. The basic language area and training authority of NDEA Title VI will be retained. We propose new legislation that will consolidate the authority to foster comparative cross-cultural study in particular areas such as energy or transportation; stimulate education exchanges of professionals in a variety of areas, particularly exchanges of elementary and secondary school teachers; promote cooperative study and research between universities and private industry; and stimulate foreign language training in elementary and secondary schools. This proposal incorporates into NDEA VI the strongest elements of the International Education ACT (IEA) and therefore repeals the IEA.

Title I: Community Service and Continuing Education Programs

Today, we recommend that Title I be restructured into two distinct sections, devoted, first, to the university and community service and, second, to the university and continuing education activities. We also recommend that the clearly limited funds available to support the community service program activities be awarded through a project grant competition at the national level.

LEGISLATIVE PROPOSALS:
SIMPLIFICATION AND EFFICIENCY

Beyond the substantive purposes and provisions that I have discussed, we want to make a major contribution to streamlining and simplifying Federal higher education programs in this reauthorization effort. Students should not be faced with complicated and burdensome forms and restrictions. Institutions need the flexibility to exercise reasonable judgment without the inordinate amount of paperwork that so often accompanies Federal assistance. The States and the Federal government should have a clear understanding of their respective responsibilities. Unnecessary legislation, bureaucracy and red tape should be eliminated at all levels of the government.

I'd like to close by highlighting our most important proposals that reflect these administrative goals of simplicity and reform:

- For students we propose:
  - -- A single need analysis system which applies to all Federal need-based student aid programs and which is free to the student.

  - -- An obligation upon institutions to provide information to students and parents about available financial aid, institutional costs, refund policies, academic programs, and special services to handicapped students.

  - -- A coherent approach to packaging student assistance.

- For institutions we propose:
  - -- To relieve them of the responsibility for collecting student loans.
  - -- To retain their freedom to package suplemental grant funds, work-study funds, and basic loan funds to meet the particular and unique needs of students.
- To consolidate parts of the Higher Education Act we propose:
  - -- Elimination of Title VI, X, and XI, and simplification of Titles I, II, IV, VII, and IX.

CLOSING:

Together with this Congress, this Administration will successfully meet the education challenge of the hour--the reauthorization of the Higher Education Act. In so doing, we will have succeeded in enhancing the Federal role in ensuring that all Americans have the opportunity and training--from the elementary to the college level--to make a better life for themselves while helping to build a stronger and greater Nation.

Thank you.

LEGISLATIVE PROPOSALS FOR THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT (HEA)

PROPOSAL PAGE

I. COMMUNITY SERVICE AND CONTINUING EDUCATION: HIGHER EDUCATION ACT, TITLE I 1

A. Overview of the Program

B. Separate Community Service and Continuing Education. These two functions would be separately authorized in two distinct Parts, A and B. The purposes of the present Part B, Lifelong Learning, would be incorporated into the new Continuing Education part which would remain a State formula program. The Community Service Program would be a Federal discretionary program targeted to assist universities and their local communities.

II. LIBRARIES: HEA TITLE II 3

A. Overview of the Program

B. Grants to Improve College Library Resources. The proposal establishes criteria to better target the basic library support program on college libraries most in need.

C. Coordinate Library Training, Research and Demonstration Authorities. Simplifies the Special Purpose Grants for college libraries in Part A, and the Library Research and Demonstration Programs in Part B in order to create a systematic set of library innovation and development authorities.

III. STRENGTHENING DEVELOPING INSTITUTIONS: HEA TITLE III 6

A. Overview of the Program

B. Definition of Purpose. The purpose of the program is to aid institutions which provide access, which lack resources, and which are taking steps to improve institutional management and fiscal stability.

C. Long-Range Planning. As part of the application, institutions would be required to develop a comprehensive plan.

D. Duration of Grants. Institutions could apply for a grant of one to three years, after which they can reapply; or institutions could apply for a commitment of up to seven years, with an agreement that they could not reapply after seven years' time. The authorization level for these grants is $200 million annually.

I. Challenge Grants. A separate authorization of $50 million annually is provided for grants in which the institution commits itself to obtain additional funding to match the Federal funds dollar for dollar.

IV. STUDENT ASSISTANCE: LOANS HEA TITLE IV   11

A. Overview of the Program

31. The Basic Loan program would have the following characteristics:

- Eligible Borrowers. Loans will be made to undergraduates and graduate students (exclusive of graduate students in medicine, law and business) who are attending half-time or more.

- Loan Amounts. Individual loans will be limited to net need (educational costs minus family contribution, BEOGs, other grants and a self-help component of $700). In addition there would be annual limits of $3,750 for undergraduates, $5,000 for graduate students and cumulative limits of $12,500 for undergraduates to a total of $25,000 for both undergraduate and graduate.

- Interest Charges to Students. Students will be charged seven percent or the Treasury bill rate minus one percent, whichever is less. In-school interest payments will be forgiven for undergraduates but deferred for graduate students.

- Source of Capital. Loan capital will be provided by the new Government Student Loan Association (which would be a Federal agency) from NDSL collections and borrowing from the Treasury.

- Making of Loan. The financial aid officer at the institution of attendance would make the determination of eligibility and loan amount. The institution would then disburse the funds drawing on a line of credit from the new Association.

- Collections. The Association would provide centralized servicing and collection of loans, and would have authority to contract out these functions.

- o Terms of Repayments. All loans will be consolidated for repayment. The length of the repayment period would depend upon the size of the student's total loan obligation, with a shorter term for smaller loans and a maximum period of 20 years.

B2. The Supplemental Loan Program would have the following characteristics:

- o Eligible Borrowers. All undergraduate and graduate students who are attending half-time or more and their parents will be eligible.

- o Loan Amounts. Annual borrowing will be limited so that the total of all assistance is not more than the cost of education minus any grant or other loan assistance. In addition there would be annual limits of $5,000 for undergraduate and $10,000 for graduate students for the sum of Basic and Supplemental Loans and cumulative limits of $20,000 for undergraduates and $40,000 over both undergraduate and graduate years for both Basic and Supplemental Loans.

- o Interest Charges to Borrowers. Borrowers will be charged at the rate of the Treasury Bill plus one percent. Interest payments will be made while in school.

- o Source of Capital. Provided by private lenders (banks, institutions, etc.) with increased reliance on State agencies or non-profit agencies appointed by a State or the Association to assure sufficient capital.

- o Special Allowance Payments. The Federal government would pay lenders a constant special allowance of 2.5 percent above the borrower's interest rate.

- o Collections. Primary or secondary lenders would be responsible for collections prior to default and by the Association or State agencies subsequent to default (as in current GSL program).

- o Terms of Repayment. Repayment terms will be set by the lender up to a maximum of 20 years.

- o Secondary Market. A secondary market will be maintained by the Association which administers the Basic Loan program. It would be authorized to assume the loan paper held by SLMA before or up to the time that the current guarantee for loans held by SLMA would expire.

C. Rationale

D. MODIFICATIONS TO GUARANTEED STUDENT LOAN STATUTES

V. STUDENT ASSISTANCE: GRANTS AND WORK-STUDY, HEA TITLE IV 35

A. Overview of the Program

B. Basic Grant Maximum Award and Reduction Schedule. Adds language to set the maximum award at the level provided in appropriation acts, which may exceed the $1,800 statutory maximum. When appropriations are insufficient for full-funding, award reduction will increase directly as "need" decreases.

C. Basic Grant -- Average vs. Actual Costs for Recipients Living on Campus. Permits institutions to use school-wide average room and board charges for BEOG awards.

D. Basic Grant -- Relationship to Veterans and Social Security Benefits. Count one-half of both Veterans and Social Security benefits as student resources to be applied against the student's BEOG eligibility.

E. Supplemental Grants and State Student Incentive Grants -- Removing the Distinction Between Initial and Continuing Year Funds. Would eliminate the initial year-continuing year funding distinction for SEOG and SSIG.

F. Supplemental Grants -- Maximum Award. Increases the annual maximum award from $1500 to $2000 and the aggregate maximum to $8,000.

G. State Student Incentive Grant Program -- State Matching Requirements. State dollars will receive a 100 percent Federal match the first year they are allocated and a declining Federal match thereafter.

H. College Work-Study -- Creative New Uses of Funds. Encourage institutions to place more handicapped students in CWS jobs and to use CWS participants to disseminate student information and provide services for handicapped students.

VI. GENERAL PROVISIONS: HEA TITLE IV 49

A. Overview of the Program

B. Packaging Framework.

C. Eliminate Accreditation for Institutional Eligibility. Eliminates private accreditation as a statutory requirement for institutional eligibility while reinforcing State responsibility to ensure that minimum standards are met.

D. Institutional Eligibility -- Standards of Administrative and Fiscal Responsibility and Requirements for Provision of Student Information. Establishes information requirements in Section 439A and standards of administrative and fiscal responsibility as criteria for eligibility to participate in Title IV programs.

E. Supplemental Grants and College Work-Study -- Five Percent Carry-Over. Permits institutions to carry forward up to 5 percent of their SEOG or CWS funds from one fiscal year to be spent in the next.

F. Administrative Allowances to Institutions. Pays the institution $10 for each student aid recipient.

G. Single Application Form, Processed at No Fee to the Student. Legislatively mandate continued use of a single form. The Federal government instead of the student would pay processing costs.

H. A Single Needs Analysis System. Provides the authority to develop and implement a common needs analysis for all Federal need-based aid programs.

I. Definition of Dependent and Independent Student. 18 to 22 year-olds would be regarded as dependent unless they are married or have dependents of their own.

J. Supplemental Grants, College Work-Study and Basic and Supplemental Loans -- Procedures for Determining Off-Campus Living Costs. Would set specific procedures for schools to follow in determining living costs for off-campus students apply for SEOG, CWS, and Basic and Supplemental Loans.

F. Standards of Academic Progress. To remain eligible for Federal student aid, a student must successfully complete at least 50 percent of the courses undertaken using Title IV aid during the preceding academic period of enrollment.

G. Extension of and Criminal Penalties Provision to Cover all Title IV Financial Aid Programs. Establishes specific criminal penalties for individuals and institutions.

VII. SPECIAL PROGRAMS FOR DISADVANTAGED STUDENTS: HEA TITLE IV 67

A. Overview of the Program

B. "TRIO" -- Program Purpose and Eligible Population. Clarify the language at the beginning of the Subpart to describe the program's mission and its basic target population.

C. "TRIO" -- New Eligibility Requirements for Specific Programs. New requirements would be based upon combinations of economic disadvantagement, educational disadvantagement, and geographic distribution from low-income areas.

D. "TRIO" -- Consolidate Talent Search and Education Opportunity Center Programs. The consolidation would create one program targeted on geographic locations with high concentrations of economically disadvantaged residents.

E. "TRIO" -- Repeal the Service Learning Center Authority. This program, established in the Education Amendments of 1976, has never received an appropriation, and would be repealed.

F. Veterans Cost of Instruction Program. Gives new emphasis to the problems of handicapped and incarcerated veterans.

VIII. TEACHER CORPS AND TEACHER TRAINING PROGRAMS: HEA TITLE V. 75

A. Overview of the Program

B. Technical Modification to Teacher Corps and Teacher Centers. Administrative and technical modifications are proposed.

IX. FOREIGN STUDIES AND LANGUAGE DEVELOPMENT: HEA TITLE VI (REPLACES NATIONAL DEFENSE EDUCATION ACT, NDEA TITLE VI) 78

A. Overview of the Program

B. Integrate the International Education Act of 1966 with NDEA VI and Make It a New HEA VI. Include advanced international studies and undergraduate instruction in international studies. Add cooperative education to those activities allowed. Remove requirements that activities be locally designed, and stimulate elementary and secondary projects in languages critical to international relations.

X. CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF ACADEMIC FACILITIES: HEA TITLE VII 80

A. Overview of the Program

B. Interest Rate for Facilities Loans. Raises current 3 percent interest rate to a current long-term rate for construction.

C. Modify Part D. Authorize program for renovation of research facilities.

XI. COOPERATIVE EDUCATION: HEA TITLE VIII 84

A. Overview of the Program

B. Eliminate Grant Ceilings. The maximum grant ceiling of $175,000 for an individual institution and $125,000 for each institution in a consortium are removed.

XII. GRADUATE PROGRAMS: HEA TITLE IX 86

A. Overview of the Program

B. Repeal the Mining and Public Service Fellowships and the General Assistance Authorities for Graduate Schools.

XIII. STATE POSTSECONDARY EDUCATION COMMISSION: HEA TITLE XII SECTIONS 1202 AND 1203 88

- A. Overview of the Program
- B. Remove the Requirement on States to Have 1202 Commissions

XIV. EXISTING AUTHORITIES PROPOSED FOR REPEAL 90

- A. UNDERGRADUATE INSTRUCTION, HEA TITLE VI
  - 1. Overview of the Program
  - 2. Repeal the Title which authorizes assistance for improvement of undergraduate institution. The title has not been funded since fiscal 1978.
- B. COMMUNITY COLLEGES, HEA TITLE X
  - 1. Overview of the Program
  - 2. Repeal the Title, which authorizes general assistance funding for the establishment and expansion of community colleges. This title has never been funded.
- C. LAW SCHOOL CLINICAL EXPERIENCE PROGRAM, TITLE XI
  - 1. Overview of the Program
  - 2. Repeal the Title which authorizes a narrow categorical demonstration program. The effectiveness of this approach to legal education has been established.

1)

I. COMMUNITY SERVICE AND CONTINUING EDUCATION: HIGHER EDUCATION ACT, TITLE I

A. Overview of the Program

Program Purposes

There are three purposes to this Title. The first purpose is to assist in the solution of community problems by providing grants to strengthen community service programs of colleges and universities. The second purpose is to support the expansion of continuing education in colleges and universities. The third purpose is to support lifelong learning for the adult population of the United States.

Program Coverage and Funding

The first two purposes (community service and continuing education) are included in Part A. Funds for this part are allocated to States on the basis of the proportion of the total population of the United States residing in that State. The exception to this allocation is that 10 percent of the funds are set aside for discretionary grants which are made by the Commissioner. In 1979, the program is funded at $16 million. Of that, $14.25 million is distributed to the States using the allocation formula. This supports projects serving an estimated 400,000 adults at 700 participating colleges and universities. $1.6 million is available for discretionary grants which are awarded to institutions for projects related to national and regional problems. The remaining funds are used for technical assistance at the discretion of the Commissioner.

The third purpose, lifelong learning, which is in Part B has never been funded.

Program Operation and Effectiveness

The State Grant program is administered by agencies designated by the State governments. Each of these agencies develops a State plan, establishes priorities among problem areas and is responsible for reviewing and approving institutional proposals for support. The Federal government provides two dollars for every dollar provided from non-Federal sources.

Evaluations suggest that the program has resulted in heightening the awareness of institutions with regard to community problems and has led to some reallocation of funds to dealing with such problems.

B. TITLE I: SEPARATE COMMUNITY SERVICE AND CONTINUING EDUCATION INTO TWO PARTS (PART A AND PART B)

The Proposal

The Administration proposes to separate Community Service and Continuing Education into two distinct parts, and to remove the two 10 percent set-asides for special projects and technical assistance. The current Part B, Lifelong Learning would be incorporated into the new Continuing Education Part, which would provide a focus for services to the growing adult nontraditional student population in higher education. Funding for the Continuing Education Part would be on a State formula basis according to the adult population of the State. Institutions will be required to match one dollar for every two dollars of Federal grant aid. The Community Service Part would be a Federal discretionary grant program. It incorporates the focus of the legislation aimed at mobilizing urban universities for the solution of urban problems but extends the scope of the program to all settings.

Present Law

Title I presently is divided into a State formula program (Part A Community Service and Continuing Education) and a mixed discretionary and State formula program (Part B Lifelong Learning).

Reasons for Recommendation

The proposed changes would make clear the difference between the Community Service and Continuing Education programs. The Continuing Education Part would respond to the needs of the growing adult population and remain a State program. In addition, the confusion between continuing education and lifelong education would be eliminated by consolidating the two.

The present set-asides are not needed, since the proposed discretionary grants for the Community Service Part would effectively allow the Commissioner to make grants for special projects of national or regional problems, or for technical assistance to States or postsecondary institutions.

The new Community Service program establishes a strong discretionary authority which will allow the Federal government to help foster productive relationships between universities and their host communities.

II. LIBRARIES: HEA TITLE II

A. OVERVIEW OF THE PROGRAM

Program Purposes

There are three purposes to the program: To assist eligible institutions in the acquisition of library resources (Part A); to provide support for research and demonstration projects to improve libraries and to support training and retraining of librarians and information scientists (both of these are included in Part B); to help research libraries maintain and strengthen their collections and make them more available (Part C). All of these purposes are intended to improve libraries, their administration and information access.

Program Coverage and Funding

All awards are at the discretion of the Commissioner. Each of the purposes described above is included in a separate program. In total, 2662 awards were made in FY 1978, of which 2568 were for Part A. Awards under the Title totalled almost $18 million. 1979 awards will be approximately the same.

B. TITLE II: GRANTS TO IMPROVE COLLEGE LIBRARY RESOURCES (Part A, SECTION 203)

The Proposal

The Administration proposes to target the basic library support program on college libraries that are most in need of support to improve their resources. Rather than give $3900 to every applicant institution (including institutions like Harvard, Yale and Berkeley) as was done this year, this new provision would allow an increase in the size of grants to institutions with the weakest collections. The maintenance of effort provision would also be strengthened.

Present Law

Under current law (Part A, Section 202) all accredited academic institutions qualify for basic library grants. All institutions receive the same amount and the size of the award is determined by the number of applicants and the size of the appropriation, with a maximum grant of $5000.

Reason for Recommendation

Small grants are not particularly useful for either the very needy or the affluent institutions. This proposal would allow us to target limited resources to the institutions determined to be in need of assistance in upgrading their library resources and, by targeting, to increase the level even when appropriations remain constant. The measures used to assess the need of the institutions would be developed in conjunction with the library community. Some needy institutions would receive substantially greater awards than they have in the past. The strengthening of the maintenance of effort provision is to insure that the target institutions will continue to receive their share of the institutions' own resources.

C. TITLE II: COORDINATE LIBRARY TRAINING, RESEARCH AND DEMONSTRATION AUTHORITIES (PART B)

The Proposal

The Administration proposes to strengthen and simplify three authorizations: (1) Special Purpose Grants for college libraries to support cooperative efforts and developmental projects designed to increase library efficiency; (2) the Library Research and Demonstration Program that promotes innovation and development of more effective library and information services; and (3) the Librarianship Training Programs.

Present Law

Authority for these activities is now found in Title II, Part A, Sections 203 and 204 (authority for Supplemental Grants and Special Purpose Grants); and Part B, Sections 221 and 222 (authority for Training and Research Programs).

Reasons for Recommendation

The proposal would coordinate the innovative strategies for library research and development. It would provide incentives for libraries to increase their effectiveness and efficiency by sharing resources and developing new technologies for processing, storing and distributing information. Research and demonstration in these areas and dissemination of effective project designs would be funded. The proposal will also eliminate the awkward legislative set-asides that reduce the opportunity for a careful targeting of funds. The successful library training programs would be retained in Part B.

III. STRENGTHENING DEVELOPING INSTITUTIONS: HEA TITLE III

A. Overview of the Program

The Current Program

Title III authorizes a program of discretionary grants to strengthen the academic quality of developing institutions, which are defined as "struggling for survival" and "isolated from the main currents of academic life." These terms are defined by regulations as meaning that the institution serves large percentages of low-income students and has a relatively low salary and expense budget. The grants are awarded competitively on the basis of written applications and may be up to 5 years duration. Activities for which support may be provided include faculty development, curriculum development, administrative and management improvement, and student services. Two-and-four-year, public and private institutions are funded, and 24 percent of each year's appropriation is set-aside for two-year colleges.

The statute requires cooperative arrangements between the grantee developing institution and other colleges and universities, business firms, or organizations. It also authorizes National Teaching Fellowships and Professorships Emeriti, and waives certain accreditation requirements for institutions on Indian reservations or those serving substantial populations of Native Americans or Spanish-speaking people.

Program Coverage and Funding

The program has been fully funded at $120 million in fiscal years 1979 and 1980; 300 institutions are receiving grants. The program is considered as a major institutional aid supplement to thw student aid programs funded by Title IV, since these institutions serve large numbers of minority students, and educationally and economically deprived students.

8. TITLE III: DEFINITION OF PURPOSE (SECTION 301(a))

The Proposal

The Administration proposes that the purpose of the program be clarified in the statute. The stated purpose would be to strengthen institutions which enroll a substantial percentage of students from low-income families, which lack resources, and which are taking steps to improve institutional management and fiscal stability. The annual authorization will be $200 million.

Present Law

Title III, Sections 301 and 302(a), specify only that developing institutions are those that are "struggling for survival" and "isolated from the main currents of academic life."

Reason for Recommendation

The administration of this program has been hampered by the current language which is very broad and contains terms--such as "out of the academic mainstream"--which are both outmoded and difficult to define administratively. The proposed language would eliminate confusion and direct the funds to the neediest institutions.

The proposal language also conforms with existing regulation and therefore will maintain the existing set of institutions eligible for the program.

C. TITLE III: LONG RANGE PLANNING: (SECTION 304a)

The Proposal

The Administration proposes that applicants prepare a comprehensive development plan as part of their application for Title III grants. Very small, one-year grants would be available to support drafting such a plan. Within this plan, institutions would be required to address their needs in improving their academic program as well as their fiscal management. The plan would have to state measurable objectives for use in monitoring progress under the Title III grant.

Present Law

The current statute does not require such a plan.

Reason for Recommendation

Some Title III institutions lack a comprehensive development plan and consequently activities funded by the program may not fit into an overall strategy for institutional growth. Funds can be used most effectively when devoted to activities which are components of a comprehensive plan. Such plans will also be useful in making future-year funding decisions.

D. TITLE III: DURATION OF GRANTS: (SECTION 304 C)

The Proposal

The Administration proposes that applicants for Title III development grants be offered two options:

- A grant of one to three years after which the institution could recompete for a Title III grant; or

- A larger one-time grant for up to seven years; the school receiving such a grant could not reapply.

Under both options schools would be required to specify measurable objectives to be achieved each year in order to continue to receive funding.

Present Law

Current law does not specify the duration for a grant. Present regulations allow grants lasting up to five years.

Reason for Recommendation

This proposal provides institutions the option of a long-term commitment which would lead the institutions to self-sufficient status.

A seven year commitment from the Title III program would allow a school to devote itself to a more extensive plan of development. If the institution does not believe that seven years would be sufficient it would be able to compete for a shorter-term grant under the one-to-three year grant authority.

E. TITLE III: CHALLENGE GRANTS: (SECTION 306)

The Proposal

The Administration proposes the establishment of an additional new authority for "Challenge Grants." These grants would offer funding on a 50-50 match basis to the same institutions eligible for other Title III grants. However, eligible programs would be expanded to include those in graduate and professional schools. Institutions would compete for these funds according to the same criteria used in the regular program. There will be a $50,000,000 annual authorization for Challenge Grants.

Present Law

This would be a new authority.

Reasons for Recommendation

This proposal is intended to encourage States to bear a share of the responsibility for the development of public Title III institutions. In addition, private institutions eligible for Title III would also be encouraged to offer clear evidence of their commitment to self-sufficiency.

Because of the matching feature, the Challenge Grants are designed to bring more revenues into Title III schools and accelerate movement toward an institution's development goals. At the same time, however, the greater portion of appropriated funds will remain available for the regular grant program. Eligible institutions would still be able to compete for regular funds as they currently do without the need to match and will therefore not be penalized by a possible inability to acquire the required matching funds.

IV. STUDENT ASSISTANCE, LOANS: HEA TITLE IV, PARTS B AND D

A. OVERVIEW OF THE PROGRAMS

1.) The National Direct Student Loan Program (NDSL) has the following provisions:

- o Eligible Borrowers. Loans are made to financially needy students, both undergraduates and graduates, by participating schools.
- o Source of Funds. Schools set up revolving loan funds maintained by Federal and institutional contributions (on a 9 to 1 ratio).
- o Loan Limits. Loans are limited to $2,500 for the first two years of postsecondary study, a total of $5,000 for undergraduate study, and a total of $10,000 through graduate school.
- o Terms of Repayment. Repayment may be over a ten year period (repayment schedule set by schools) with 3 percent interest, beginning 9 months after leaving school, with deferments and cancellations for specific kinds of public service.
- o Program Management. Each institution is responsible for managing the funds, making loan awards and determinations of student need, and servicing and collecting the loans.
- o Program Data. During academic year 1977-78, 794,000 students were aided with over $600 million in loans. Over 3,400 schools participate. The average loan was about $765. Over the program;s history, since 1958, about $6 billion has been loaned to some 5.2 million students.

2.) The Guaranteed Student Loan Program (GSL) has the following provisions:

- o Eligible Borrowers. All students attending more than half-time are eligible for a loan, without regard for family income.
- o Source of Funds. Loans are made by commercial lenders, schools and State agencies utilizing some public and mostly private capital.

- Loan Limits. Loan limits are $2,500 per academic year for undergraduates with a $7,500 aggregate limit, $5,000 annually for graduate and professional students with a $15,000 aggregate maximum inclusive of earlier loans. Lenders often set their own limits and criteria for eligibility.

- Terms of Repayment. Repayment periods are set by the lender and may be between 5 and 10 years, with interest charged at 7 percent after leaving school.

- Program Operations. In GSL, the Federal government:

  - insures or reinsures the loans against student default losses;
  - subsidizes the lender by paying a special allowance above the 7 percent charged the student;
  - pays the full interest on the loan while the student is in college and during periods of deferment;
  - provides, through the Federal Financing Bank, 98 percent of the capital which the Student Loan Marketing Association (SLMA) has used to purchase loans and make low cost advances to lenders;
  - supports guarantee agencies by reinsuring student loans and by providing Federal advances and administrative allowances.

- Program Data. In fiscal year 1978, an estimated 1.08 million students received $2 billion to attend 8,120 schools. The average loan was about $1,900. Over $13 billion has been loaned since the inception of the program in 1965.

3.) The Student Loan Marketing Association (SLMA) chartered in this Act, is also an important element in the operation of GSL:

- In 1972, SLMA was established as a Federally-sponsored, private for-profit corporation to expand the availability of loan capital to GSL lenders.

- o It does this by providing a "secondary" market for GSLs in which lenders can sell their student loans or obtain advances to make student loans. Specifically, SLMA purchases student loans at full face value from lenders. It can also advance to the lender funds in an amount up to 80 percent of the lender's outstanding student loans. In addition, Sallie Mae makes advance commitments to purchase loans from banks. SLMA has contract agreements with 400 of the total 8,500 active GSL lenders.

- o Originally, SLMA was intended to raise private capital to support loan purchases and advances by issuing stocks and bonds. However, in 1974, SLMA was given the ability to borrow money from the Federal government through the Federal Financing Bank.

- o SLMA now has total purchases and advances of about $1.1 billion, about ninety-eight percent financed with Federal funds.

- o SLMA's income (before taxes) has increased from $0.6 million in 1974 to $11.4 million in 1978.

B. The Proposed Loan Programs

The Administration proposes the establishment of a Government Student Loan Association which will administer the major Federal student loan programs. This Association will be a separate agency within the Department. The chief officer of the Association will be appointed by and will report to the Secretary.

The NDSL program will be transformed into a need-based Basic Loan program. The Basic Loan would be the final element in the student's aid package. The package would be comprised of the expected family contribution; Federal, State, and private grants; student earnings or other forms of self-help in the minimum amount of $700; and finally the Basic Loan up to the total cost of education as determined under the proposed single needs analysis system.

1.) The Basic Loan program would have the following characteristics:

  - o Eligible Borrowers. Loans will be made to undergraduates and graduate students (exclusive of graduate students in medicine, law and business professions) who are attending half-time or more.

- Loan Amounts. Individual loans will be limited to net need (educational costs minus family contribution, BEOGs, other grants and a self-help component of $700). In addition there would be:
  - Annual limits of $3,750 for undergraduates and $5,000 for graduate students.
  - Cumulative limits of $12,500 for undergraduates to a total of $25,000 for both undergraduate and graduate.
- Interest Charges to Students. Students will be charged seven percent or the Treasury bill rate minus one percent, whichever is less. In-school interest payments will be forgiven for undergraduates but deferred for graduate students.
- Source of Capital. Loan capital will be provided by the new Association (which would be a Federal agency) from NDSL collections and borrowing from the Treasury.
- Making of Loan. The financial aid officer at the institution of attendance would make the determination of eligibility and loan amount. The institution would then disburse the funds, drawing on a line of credit from the new Association.
- Collections. The Association would provide centralized servicing and collection of loans, and would have authority to contract for these functions.
- Terms of Repayments. All loans will be consolidated for repayment. The length of the repayment period would depend upon the size of the student's total loan obligation, with a shorter term for smaller loans and a maximum period of 20 years. The "grace period" before repayment begins will be set at four months.

The GSL program would be changed into a Supplemental Loan program whose purpose would be to provide parents and students with a way to spread out some or all of their share of educational costs. This Supplemental Loan program is for parents as well as for students receiving Title IV assistance who would use this program only to supplement the aid package. For example this loan could be used to help meet the expected family contribution or the self-help component, or it might be needed in the case where the remaining cost of attendance exceeded the Basic Loan limits. Families who chose not to apply for other financial aid could use this Supplemental Loan to meet educational costs.

2.) The Supplemental Loan program would have the following characteristics:

- Eligible Borrowers. All undergraduate and graduate students who are attending half-time or more and their parents will be eligible.

- Loan Amounts. Annual borrowing will be limited so that the total of all assistance is not more than the cost of education. In addition there would be
  - Annual limits of $5,000 for undergraduate and $10,000 for graduate students for the sum of the Basic and the Supplemental Loans.
  - Cumulative Limits of $20,000 for undergraduates and $40,000 over both undergraduate and graduate years for both Basic and Supplemental Loans.

- Interest Charges to Borrowers. Borrowers will be charged at the rate of the Treasury Bill plus one percent. Interest payments will be made while in school.

- Source of Capital. Provided by private lenders (banks, institutions, etc.) with increased reliance on State Agencies or non-profit agencies appointed by a State or the Association to assure sufficient capital.

- Special Allowance Payments. The Federal government would pay lenders a constant special allowance of 2.5 percent above the borrower's interest rate.

- Collections. Primary or secondary lenders would be responsible for collections prior to default and the Association or State Agencies would be responsible subsequent to default (as in current GSL program).

- Terms of Repayment. Repayment terms will be set by by the lender up to a maximum of 20 years. Lenders will be encouraged to take total loan indebtedness into account in setting repayment schedules and to make graduated repayment options available. The "grace period" before repayment begins will be set at four months.

- Secondary Market. A secondary market will be maintained by the Association which administers the Basic Loan program. It would be authorized to assume the loan paper, liabilities to the Federal Financing Bank, and other liabilities of SLMA arising from SLMA's purchase or commitments to purchase student loans. The assumption would occur after September 30, 1981, and prior to January 1, 1982.

C. Rationale

The loan proposals are intended to accomplish two major objectives: to clarify the distinct purposes of the two programs, and to ensure access to loans for those students who have the greatest needs.

The NDSL program was designed to assist the neediest students. It accomplishes this objective but not fully:

- The size of loan for which a student is eligible is set arbitrarily, not on the basis of the remaining need of the student after other sources of support -- including a reasonable family contribution -- are taken into account.

- Many poor students who need loans do not receive them for a number of reasons. NDSL funds are limited, not only because of lack of growth of Federal contributions but also because of the high default rate in the program (currently about 17 percent); the amount of NDSL funds available to a given campus is not related to the aggregate need of students on that campus.

Low income students who do not receive NDSLs often cannot obtain GSLs. Lenders in GSL set many of their own criteria for making loans. Often poor students -- who have no banking relationship with the lenders and who are seen as poor credit risks (in spite of the underlying Federal guarantee) -- cannot obtain GSLs.

The loan proposal addresses the access objective through a Basic Loan program which would ensure access to loans up to the remaining need but only after other sources of support are taken into account. With this purpose for Basic Loans, the other program -- Supplemental Loans -- logically becomes a program to help families spread out their contribution to the student's needs.

In further detail, the proposed Basic Loan program would differ in other respects from the existing NDSL program:

- Equitable access to loans would be assured because it would be fully capitalized by the Federal government (through borrowing rather than appropriations). Further, it would be modeled on the concept of the Basic Educational Opportunity Grant program which uses a national system to distribute available funds equitably among all students regardless of where they live or go to school.

- The administration of the program would be improved by removing the responsibility for collections from the institutions and transferring it to the new and national lender. However, the responsibility for packaging the Basic Loan with other aid, and for determining (with the student) the amount of the loan would remain with the campuses to ensure that the total package meets the unique needs of specific students.

- Under the proposed Basic Loan program, interest rates charged the student would be set at 7 percent or one percent below the Treasury Bill rate, whichever is lower. We propose updating the interest rates charged students for several reasons:

  - The original concept of NDSL was to establish revolving funds which would eventually be maintained by collections and require no additional capital contributions. Given the increase in general interest rates, the 3 percent rate means that inflation constantly erodes the value of the revolving fund (even if collections are at an acceptable level), thus requiring continuing Federal contributions.

  - The 3 percent interest rate was set at a time (in 1958) at which Treasury rates were 3.3 percent and home mortgages were at about 5 percent, providing a significant but not overly large subsidy.

  - This rate was also set at a time when the Basic Grant program did not exist, and thus a subsidized loan program was the only assistance by the Federal government to poor students. Now, Federal grant assistance approaches $3.5 billion per year.

- — The proposed 7 percent would still represent a significant subsidy, given that consumer loans presently cost as much as 18 percent. It is also proposed that, if general interest rates decline, the interest rate for Basic Loans would also be reduced.

- — The program would also retain another substantial source of subsidy for the undergraduate student —interest while the student is in school would be forgiven.

- o The current loan forgiveness feature of NDSL for entering into the teaching profession would be eliminated. At the time this provision was enacted, elementary and secondary enrollments were growing and there was a shortage of teachers. Now, with declining enrollments, the provision is no longer needed. In 1975-76, it is estimated that there was a surplus of over 90,000 qualified teachers, and demand for newly qualified teachers is not expected to increase until the mid-1980¦s when elementary and secondary enrollments may begin to rise again.

Through the Supplemental Loan program parents will be able to borrow their expected family contribution and students can borrow their expected self-help or educational expenses that exceed the borrowing limits in the Basic Loan program. Essentially, this program represents only a modest change from the current GSL programs; however, there are several crucial differences:

- o The Supplemental Loan program would have as its clear purpose supplying liquidity to families and students, providing them with a means to spread out the costs of education, which they can reasonably be expected to meet.

- o Parents — as well as students — would be eligible borrowers, in keeping with this purpose.

- o It is also appropriate that interest rates for the Supplemental program be higher than for the Basic program since it serves as a substitute for a legitimate family contribution. However, that rate — Treasury bill plus one percent — still represents a substantial subsidy in comparison with the family¦s alternative forms of borrowing.

- For this reason it is also appropriate that the interest rate be variable, just like other loans -- house mortgages, auto and consumer loans -- families obtain.

Secondary Market

A new Federal agency--the Government Student Loan Association -- will operate the Basic Loan program and will also conduct the secondary market operations for the Supplemental Loan program. In this latter capacity it will replace the Student Loan Marketing Association -- the private, for profit corporation which currently acts as secondary market for the GSL program. We propose these changes for several reasons:

- The profit-making status of SLMA is inappropriate. SLMA relies on the Treasury for 98 percent of its operating capital and bears no risk of loss whatsoever, since its portfolio is fully guaranteed by the Federal government. A profit-making enterprise should properly involve some risk to the investor. This is not the case for SLMA: its profits are predictable and fully secured against loss.

- Because it is profit-making, its incentives -- quite appropriately--are to maximize that profit, not necessarily ensure the widest availability of GSLs. It has relatively conservative buying policies and picks only low-risk paper. One result of this is that small banks and banks that lend to high risk borrowers are often unable to benefit from SLMA's secondary market activities. SLMA must balance a higher yield to its shareholders with greater loan availability for student borrowers. It is inevitable that often the latter suffers.

Costs of Loan Proposal

The Basic Loan program will be phased-in over three years. In the first year, 60 percent of estimated full-funding requirements will be made available; 80 percent the second year; and 100 percent the third.

In the first year of operation, estimated loan volume under both Basic and Supplemental Loan programs will be $3.3 billion. This will support loans for about 2.1 million students.

By 1983, the programs will be fully phased-in and loan volume is estimated at almost $5 billion, with loans made to about 2.8 million students.

Students Aided and Average Loan Amounts

- The total number of students aided would increase from 2.5 million in 1980 under the current program to 2.8 million in 1983 under the Basic and Supplemental programs.

- Loans under the Basic program:

  --Loans averaging $720 will be provided to 1,250,000 students in 1981.

  --When the program is fully funded in 1983, loans averaging $1.405 will be provided to 1,352,000 students and by 1985, loans averaging $1,630 will be provided to 1,460,000 students.

  --The average amount of the Basic Loans when fully phased-in is significantly higher than the Direct Loan. The Basic Loan provides the funding required to meet student need after taking into consideration other Federal, State, local and institutional aid, family contributions, and student self-help. The Direct Loan was constrained by the funds available at the institution.

- Loans under the Supplemental program:

  --Loans averaging $1,600 will be provided to 1,350,000 students in 1981, and by 1985, loans averaging $2,175 will be provided to 1,347,000 students.

  --The reduction in the average Supplemental Loan from the current Guaranteed Loan is possible because student need will be met through the Basic program with the Supplemental Loan substituting for the expected family contribution and the self-help requirement.

D. MODIFICATIONS TO GUARANTEED STUDENT LOAN STATUTES

Secondary Amendments to Title IV, Part B

In addition to the major changes (e.g., loan limits, parent loans, interest and special allowance rates) which sharpen the GSL program's Supplemental character, the Administration proposes the following secondary amendments to Part B of Title IV. These amendments are designed to simplify and improve administration of the program, eliminate unnecessary paperwork and regulatory burden, and improve loan accessibility to all eligible borrowers.

22)

Supplemental Loans - Packaging Requirement

Proposal

The Administration proposes that Supplemental Loans be limited to educational costs minus other financial aid which has been awarded or is expected for the period of the loan. The Administration also proposes that if the student is also applying for a Basic Loan for this enrollment period, the Basic Loan must be awarded before the school can certify the applicant as eligible for a Supplemental Loan. (Application for a Basic Loan would entail assessment of expected family contribution, self-help component, etc.)

Present Law

There are no such requirements in the current GSL law. (Proposed, but not yet final, GSL program regulations would limit loan amounts to educational costs less other aid.)

Reasons for Recommendation

These provisions will help implement our general "packaging" concept, curtail overaward situations in which a student receives duplicative aid to cover the same costs, and reduce student indebtedness (and potential for default).

Supplemental Loans - Repayment Period Change

Proposal

The Administration proposes that the GSL/Supplemental Loan repayment period limit be extended from 10 to 20 years, and that the separate (currently 15 year) "life of the loan" limit be eliminated.

Present Law

Current conditions of Federal insurance and reinsurance require repayment within 10 years of the date payments are required to begin and 15 years of the date the promissory note is executed. (Sections 427(a)(B); 428(b)(1)(D) and (E))

Reasons for Recommendation

The longer repayment period limit is believed to be necessary to allow spreading out of possibly higher total debt under the proposed aggregate loan limits. (A borrower ineligible for Basic Loans might accumulate a total of $40,000 in Supplemental Loan debts.) Lenders would be encouraged to provide borrowers with repayment periods which take total debt level into account, as well as to provide graduated repayment schedule options.

The existence of a second "life of the loan" limit has been found to be burdensome to lenders, inequitable to borrowers, and difficult for OE to enforce. Lenders observing this rule must keep a separate "clock" running on each borrower's account. Students who spend more than 4 years in school before beginning to repay are penalized by having their repayment period shortened --a situation which can lead to unnecessary defaults.

24)

Supplemental Loans - Liberalization of Deferment for Return to School

Proposal

The Administration proposes that eligibility for the statutory deferment for return to school be broadened from "full-time" to "at least half-time" student status (as determined by the institution).

Present Law

The deferment provisions for Federal and guarantee agency insured loans include deferment of repayment during any period during which the borrower is pursuing a full-time course of study at an eligible institution. (Sections 427(a)(2)(C)(i), and 428(b)(1)(M)(i).)

Reasons for Recommendation

During the initial in-school period, the borrower only has to maintain at least half-time status in order to avoid triggering the grace and repayment periods. Thus, this proposal would rectify a long standing inequity in the program.

25)

Supplemental Loans - Elimination of Limitations on School Lending and "Origination"

Proposal

The Administration proposes to simplify the program by eliminating the limitations and procedural requirements for school lending and "origination" contained in sections 433, 425(a)(1)(A) and (B) and 428(b)(1)(A)(i) and (ii)--which were part of the 1976 amendments to the Act.

Present Law

Defines institutional "origination" of a loan as a situation in which the school performs "a substantial portion of the functions and responsibilities normally performed by a lender prior to the making of a loan" such as interviewing the applicant, explaining responsibilities, etc. (Sec. 433(b).)

Schools are required to enter an agreement not to make or "originate" loans to more than 50 percent of their enrollment, or to any student who does not provide a letter of loan refusal from a commercial lender or a sworn statement to this effect. Graduate and professional students are excluded from both. (Sec. 433(a).)

Further, a school may not make or "originate" a loan of more than $1,500 to a student "in his first year of postsecondary education..." unless it is disbursed in multiple installments in a specified fashion. And finally, State and nonprofit agency lenders as well as school lenders and "originators" may not provide loans beyond half the cost of attendance for such first time postsecondary students. (Sections 425(a)(1)(A) and (B); 428(b)(1)(A)(i) and (ii).)

Reasons for Recommendation

These provisions are extremely difficult for the Office of Education to interpret and enforce, let alone for schools and students to understand and comply with. These impose significant record-keeping and procedural burdens on schools. And if they are adequately understood and enforced, they can result in unwarranted and inequitable restriction of loan access.

The concept of loan "origination" is not adequately explained in the law or anywhere else--leaving schools to guess at whether these provisions should or will be applied to them. (It is assumed that this concept was intended to include schools which perform functions on behalf of State lenders.) The required institutional agreements under Section 433 have never been implemented --in part because of this basic difficulty.

The 50 percent of enrollment limitation not only involves serious record-keeping and monitoring problems, it's inequitable and arbitrary to those denied loans simply because they enroll later than their classmates.

The commercial lender refusal requirement is not only burdensome to students and schools, it can further alienate commercial lenders, and the genuiness of the student's search can't be easily established.

Some apparent objectives of these provisions--to limit the GSL indebtedness of first year students and to limit the extent of school lending under GSL--are being met through greater availability of other Federal aid under MISAA, and would be met further under our other reauthorization proposals (e.g., Basic Loans, self-help component, parental borrowing of Supplemental Loans). The apparent general intentions to curtail lending by schools which abuse consumers or mishandle their lending and collection responsibilities can be (and are being) addressed more directly through program reviews and regulatory enforcement.

27)

Supplemental Loans - Elimination of "Default Rate" Suspension of School Lending

Proposal

The Administration proposes to eliminate the 1976 provision suspending the GSL lending eligibility of school lenders which have "default rates" of over 15 percent for two consecutive years.

Present Law

Section 435(g)(3) of the Act eliminates lending eligibility for one year following the year in which the Commissioner determines (after due process and opportunity for hardship waiver) that for each of two consecutive years 15 percent or more of the amount of its loans repayable in those years were in default.

Reasons for Recommendation

This provision is extremely difficult to interpret, administer and enforce, and is of dubious value. It uses an entirely new "default rate" ratio, thus requiring new record-keeping. And if implemented, it could result in unwarranted restriction of loan access.

The denomininator of this particular default ratio, loan amounts "repayable in each such year", cannot be derived from data currently reported to the Office of Education. Thus, this provision cannot be (and has not been) implemented until new accounting and reporting systems are developed. The unique due process and hardship waiver procedures are cumbersome. And if a "determination" is ever made, the "suspension" may not take effect for several months and would then last for only one year.

The apparent objectives of this provision--curtailment of abuses, mismanagement and failures in collection diligence on the part of school lenders--are adequately met in other, more direct ways. In fact, many problem school lenders have been recently eliminated from the program through the regular OE review procedures and enforcement of "fiscal stability", "due diligence" and other regulatory and statutory requirements.

28)

SUPPLEMENTAL LOANS — SIMPLIFICATION OF GUARANTEE AGENCY ADMINISTRATIVE COST ALLOWANCE

Proposal

The Administration proposes that the two Federal administrative allowances to guarantee agencies be combined into a single allowance equal to 1 percent of new insured loan volume aimed at meeting the kinds of costs now specified, but without the current conditions and distribution requirements. Reporting and application requirements would be greatly reduced.

Present Law

Agencies receive a primary allowance (1/2 percent of new volume) to meet costs of default collection, preclaim assistance and default prevention, commercial lender promotion, and other administrative costs related to the program. They must spend this allowance under a prescribed formula establishing relationships among cost categories. They also receive a second allowance (1/2 percent of new volume) if they agree to meet a number of conditions including insurance for non-state residents attending school in-state. The distribution formula does not apply to the second allowance. To receive either allowance, an agency must submit certain prescribed estimates, reports, and applications. (Sections 428(f); 428A (a)(2) and (b).)

Reasons for Recommendation

The allocation formula for the primary allowance is very complicated and confusing, creates accounting problems, is difficult to monitor, and is of dubious policy value. Agencies must spend the allowance in exactly the way prescribed, or else have the allowance reduced accordingly. This creates an incentive to spend money in unnecessary ways in order to maximize the allowance. The required spending on commercial lender promotion is unfair to agencies which either rely on State/nonprofit lending or which already have maximized commercial lender participation in the State. Agencies should be allowed to use their own judgment in allocating this allowance among costs. (The Association's general oversight authority can be used to influence an agency's use of these funds should any serious deficiencies be found.)

Several of the current estimate and reporting requirements are of dubious value and are burdensome to all involved. We propose that the requirement of insurance for non-residents attending school in-state be made a condition of reinsurance generally.

29)

SUPPLEMENTAL LOANS — SIMPLIFICATION OF GUARANTEE AGENCY INSURANCE

Proposal

The Administration proposes that guarantee agency insured loans be Federally reinsured at 100 percent only; that reinsurance "triggers" related to default experience be eliminated; and that in order to qualify for reinsurance an agency must insure loans to parents under the same terms as for students; insure loans to out-of-state residents attending school in-state, as well as meet all current conditions for 100 percent reinsurance, and additional eligibility and loan limit criteria must be identical to the current Federal Insured Student Loan program.

Present Law

Provides 80 percent reinsurance for agencies which meet a number of conditions, including those necessary for the Federal interest subsidy (Section 428(b)). It also provides 100 percent reinsurance for agencies which meet all conditions for 80 percent reinsurance plus provide loan limits similar to those of FISL, and agree to several other conditions, including insurance for school lenders and for in-state residents attending school out-of-state (Sections 428(c) and 428A(a)(1)). Current law also provides for automatic reduction from 100 percent reinsurance to 90 percent and to 80 percent based on the agency's default claims paid in a particular fiscal year as a percentage of total loans "in repayment" as of the end of the preceding year (Section 428(c)(1)(B) and (C)). Federal insurance and reinsurance for parent loans is not prvided under present law.

Reasons for Recommendations

The requirement of 100 percent reinsurance under prescribed terms will improve the equity and accessability of the program's benefits. Only two of the 40 current guarantee agencies have 80 rather than 100 percent reinsurance — because they have loan limits and certain eligibility criteria more stringent than FISL. Agencies which are almost entirely subsidized by the Federal taxpayers (through reinsurance, reserve fund "advances", and administsrative allowances of several kinds) should not be allowed to deny significant benefits which are available to borrowers under FISL or in other guarantee agency States. The requirement that agencies insure loans both for residents going out-of-state to school and for non-residents attending school in-state is important in assuring wide access to lenders and to loan capital.

The provision of loans to parents is achieved most directly and simply by requiring guarantee agencies to insure loans to parents as a condition of reinsurance. (Providing parent loan insurance through FISL, with agencies possibly insuring only student loans would be cumbersome.) We would allow guarantee agencies enough time to change their State statutes and regulations, where necessary.

The current reinsurance "default triggers" are of dubious value, are extremely complicated and difficult to administer, and create a disincentive to the broadening of loan access. The ratio used is not especially meaningful. The numerator is annual and the denominator is cumulative — which keeps the ratio small and gives older agencies an advantage. Only a few agencies have yet come close to reaching the first "trigger" threshold (5 percent). Moreover, since the rolling "trigger" ratio begins anew each year, an agency which does break the threshold has a very short lived exposure to less than 100 percent reinsurance.

The very existence of the triggers seems to have a chilling effect on the interest of some State agencies in taking steps to improve loan access for "high risk" students.

The original reason for the reinsurance "default triggers" was to encourage guarantee agencies to require adequate lender "due diligence" in loan collection, not to encourage conservative lending policies. We believe that this objective can and should be pursued more directly — by requiring agencies to establish and enforce standards of lender collection diligence, subject to oversight of the Association. The Association would also review guarantee agencies for adequate loan collection efforts of their own (subsequent to default payment) — an equally important aspect of loan collection, which is not taken into account by the current reinsurance trigger provisions.

31)

SUPPLEMENTAL LOANS — SIMPLIFICATION OF STATE LENDER INSURANCE

Proposal

The Administration proposes that the current "default triggers" on direct Federal insurance for State and designated nonprofit lenders be eliminated.

Present Law

Federal insurance for lenders of this type is subject to possible reduction from 100 percent to 90 or 80 percent in a particular year based on the ratio of default claim payments to the amount "in repayment" at the end of the previous fiscal year. Very similar to the guarantee agency reinsurance triggers (Section 425(b)).

Reasons for Recommendation

Same reasons as stated for eliminating guarantee agency reinsurance triggers. The formula is of dubious value, and may hurt loan access. Some State lenders have been forced out of the program because of this provision — not because of their default records, but because they could not raise capital as easily with these conditions on their 100 percent Federal insurance.

The original rationale for this treatment of FISL State lenders was that such lenders provided "unfair competition" for guarantee agencies which were less than 100 percent Federally reinsured — thus slowing the growth of guarantee agencies. Our proposal to provide only 100 percent reinsurance for guarantee agencies would eliminate this dubious rationale for the restriction on FISL State lenders.

32)

SUPPLEMENTAL LOANS — PROHIBITION AGAINST SECURITY OR ENDORSEMENT

Proposal

The Administration proposes extending to guarantee agency insured loans the prohibition against requiring security or endorsement on Supplemental Loans.

Present Law

Lenders under direct Federal insurance are prohibited from requiring security or endorsement on a GSL, unless the borrower is a minor whose signature would not create a binding obligation without parental endorsement (Section 427(a)(2)(A).)   Guarantee agency lenders are not restricted in this way.

Reasons for Recommendation

The requirement of security or endorsement often amounts to discrimination against borrowers from low income backgrounds, as well as against those who simply have no living or willing parent to endorse a GSL. Moreover, the 100 percent guarantee against default was intended (and should be sufficient) to replace the need for such security.

Thousands of lenders in the FISL program have been able to live with this restriction. Imposition of this restriction on them but not on guarantee agency lenders is unreasonable, as well as unfair to students in agency states who are denied loan access on these grounds.

In providing incentives for the development of guarantee agencies throughout the nation, we should not be unintentionally broadening the use of this form of discrimination. Most guarantee agencies permit their lenders to require endorsement or security. At least one agency itself requires endorsement. Some agencies provide for the attachment of personal property in case of default. Ten agencies (including some with high lender participation and loan volume) follow the FISL policy of prohibiting the requirement of security or endorsement.

33)

SUPPLEMENTAL LOANS — ELIMINATION OF INSURANCE PREMIUMS

Proposal

The Administration proposes to eliminate the collection of "insurance premiums" in the GSL program.

Present Law

Guarantee agencies may charge insurance premiums, which are "not excessive" by regulation, up to 1 percent of the amount of the loan. The FISL insurance premium is statutorily set at 1/4 percent of the loan amount (Section 429(c) and 428(b)(1)(H).) These fees are collected from lenders, but may be (and are) passed on to student borrowers.

Reasons for Recommendation

Insurance premium charges have little meaning or value in the current GSL program, involve serious administrative problems and complexities, and impose inequitable and unnecessary burdens on borrowers.

The GSL system is not a contributory insurance program supported by "premiums". The use of insurance industry terminology is misleading. Students, not lenders, bear the burden of the "premiums", while lenders get the benefit of the insurance. Default claims are, of course, paid almost entirely from Federal appropriations. Revenue from the collection of FISL insurance premiums is not significant — about $1 million in fiscal 1979, compared to over $67 million in default claims estimated for the period.

The amount, method of collection, and refunding of insurance premiums varies greatly among guarantee agencies — resulting in complexity, confusion and borrower inequity. Calculating and collecting insurance premiums and making refund payments is a significant burden on participating lenders, and has involved continuing lender accounting and accountability problems.

High insurance premiums may once have been needed by guarantee agencies in order to cover claims and administrative costs. Today, however, guarantee agency insurance losses are Federally reimbursed at 100 percent, huge Federal "advances" have swelled agency reserve funds, and agency administratiave costs are largely reimbursed through several Federal allowances provided in the 1976 Amendments. We propose that current distribution limitations on the use of the administrative allowances be lifted — which should further enhance agency solvency without the need for insurance premiums. (Currently, four agencies do not require insurance premiums, and only four require premiums up to the 1 percent limit.)

SUPPLEMENTAL LOANS — LAST RESORT USE OF FEDERAL INSURANCE AND LENDER DESIGNATION

Proposal

The Administration proposes that direct Federal insurance may be provided to one or more lenders in a State served by a guarantee agency if for any reason the Association finds loan access inadequate under agency insurance. We also propose broadening the definition of "eligible lender" to include nonprofit organizations designated by the Association.

Present Law

Section 423 of current law provides very narrow grounds under which FISL insurance may be used in a guarantee agency State (e.g., to students holding FISL loans for earlier study, and those not qualifying for agency insurance because of residence rules only). Current law allows a nonprofit agency to be a lender only if designated by a State (Section 435(g)(1)(D)).

Reasons for Recommendation

The Association would review and encourage loan accessability nationwide. With this provision it could provide loan insurance for students who are denied loans under the State agency either by policy or practice. (Some agencies deny eligibility to vocational students, correspondence students, students studying abroad, those who already have taken out loans under another agency's or Federal insurance, etc.) If access is found inadequate, willing nonprofit, commercial or school lenders (who are unable or unwilling to lend under agency insurance) could be designated by the Association. This provision would encourage State agencies to broaden their eligiblity rules and to promote loan access for all students and parents seeking Supplemental Loan assistance.

Further, this proposal would allow the Association to meet emergency situations which cannot be met under the current law. For example, if a guarantee agency is mismanaged or for any reason loses the confidence of lenders, the Association could provide Federal insurance without having to wait for the agency to declare itself legally dead — as was necessary in D.C. a few years ago. In the case of the several guarantee agencies which rely largely or exclusively on single lenders, this provision would allow the use of Federal insurance if that lender withdraws or its capital is exhausted. (This is, in fact, the current situation in New Mexico — which the State lender has exhausted its capital supply, commercial lenders are denied agency insurance by State law, and no loans can be made under Federal insurance.)

V. Student Assistance: Grants and Work

A. Overview of the Program

1. Basic Educational Opportunity Grants

Program Purpose

The purpose of the Basic Educational Opportunity Grant Program is to provide undergraduate students with an assurance of grant support to assist them in financing postsecondary education. Student eligibility is primarily based on a formula determination of need. This formula considers the income and assets of the student and his or her family as well as other factors such as the family size, the number of family members enrolled in postsecondary education, the amount of Federal Income Tax paid, whether or not both parents are working or if the family is supported by a single head of household, and any unusual expenses incurred by the family. The formula is reviewed by Congress annually and applied consistently to all students in the following academic year.

Other student eligibility requirements are:

1. the student must be enrolled in an eligible program of study on at least a half time basis;
2. the student must be a U.S. citizen or permanent resident and in this country for other than temporary purpose;
3. the students must be in good standing and making satisfactory academic progress according to the standards and practices of his or her institution; and,
4. the student cannot owe a refund on a Title IV grant or be in default on any Title IV loan received for attendance at any institution.

The amount of aid for which a student is entitled is $1800 less the expected family contribution (as determined by the annual formula) not to exceed one-half of the student's cost of education. Awards are also proportionately reduced for less than full-time or less than full-year enrollment.

Program Coverage

In the 1979-80 academic year approximately 2.7 million students attending over 6000 postsecondary institutions will receive Basic Educational Opportunity Grant awards totalling over $2.4 billion with an average award of $892.

Funding

At "full-funding" every eligible student receives $1300 less the expected family contribution not to exceed one-half of the cost of education. Should funds not be sufficient to meet these award levels, all awards are reduced according to a schedule included in the law. The 1979-80 appropriation and the 1980-81 request provide for full-funding.

Program Operation

Students apply to the government to have their expected family contribution calculated. All applicants receive a Student Eligibility Report (SER) which they can take to the school of their choice for calculation and payment of their award. Funds are distributed to schools initally on the basis of prior year expenditures, however, institutional funding levels are adjusted to refect actual demand at each schoo Students attending schools that do not agree to calculate and disburse awards are paid directly by the government.

Basic Program Requirements

Student eligibility requirements are described above. Institutions that wish to act as disbursing agents must be approved for participation and must comply with program regulations and reporting requirements.

2. Supplemental Educational Opportunity Grant Program

Program Purpose

The purpose of the Supplemental Educational Opportunity Grant Program is to provide undergraduate students of exceptional financial need with grant support to assist them in financing their postsecondary education.

Program Coverage

Approximately 573,000 students attending 3,800 insitutions expected to receive awards totalling $340 million in the 1979-80 academic year. Awards range from $200 to $1500 annually not to exceed $4000 in total.

Funding

The appropriation is distributed among states according to a legislatively prescribed state allotment formula. Within States, institutions apply for funds according to their needs. Ten percent of the appropriation may be distributed at the discretion of the Commissioner of Education.

Program Operation

Institutions apply for funds directly to the government. The amount awarded to each school is based on the total alloted to the state, the school's prior year expenditures, and the aggregate need for SEOG funds at each institution. Students apply directly to their school for aid and the school selects the recipients and determines the amount of the awards. This program provides for a great deal of discretion on the part of the institution and is intended to provide the flexibility necessary to meet the individual student's need. The Office of Education establishes rather broad guidelines for institutions to follow in awarding SEOG aid.

Basic Program Requirement

Students must be enrolled on at least a half-time basis in an eligible program of study offered by a participating school. In addition, they must:

1. be a U.S. citizen or permanent resident and in this country for other than a temporary purpose;

2. be in good standing and making satisfactory academic progress;

3. not owe a refund on a Title IV grant or be in default on a Title IV loan received for attendance at institution.

Institutions must comply with Federal regulations and reporting requirements in order to participate.

3. State Student Incentive Grant Program

Program Purpose

The purpose of the State Student Incentive Grant Program is to encourage States to establish or expand their own undergraduate need-based programs.

Program Coverage

Approximately 307,000 students from 57 States and territories will receive SSIG awards averaging $500 ($250 in Federal funds) in the 1979-80 academic year.

Funding

Funds are distributed to each State based on a legislatively prescribed formula and the States' ability to match the Federal dollars.

Program Operation

The Federal government awards funds to States, on a formula basis, which must be matched 1:1 by State funds. Each State determines the eligibility criteria to be met by recipients and selects the students to receive aid. The actual administration of the program (including eligibility criteria and award levels) varies from State to State.

Basic Program Requirements

Each State must designate an official agency to administer the program and no Federal dollars can be used to support administrative costs. In any year when the appropriation exceeds $75 million, a third of the excess is used as a bonus to encourage State operation of State student loan programs.

Program Effectiveness

In the first year of operation (1974-75) only 41 States had their own grant programs. Currently all States are participating in the SSIG program.

4. College Work Study Program

Program Purpose

The purpose of the College Work Study Program is to provide financially needy students with part-time employment to assist them in financing their postsecondary education.

Program Coverage

In the 1979-80 academic year, approximately 990,000 students attending 3,200 institutions will receive CWS assistance totalling $550 million and averaging $610.

Funding

The appropriation is distributed among States according to a legislatively prescribed State allotment formula. Within States, institutions apply for funds according to their needs. Ten percent of the appropriation may be distributed at the discretion of the Commissioner of Education.

Program Operation

Institutions apply directly to the Federal government for CWS funds which must be matched by the school's own funds on an 80/20 basis. The amount each school receives is based on its prior year expenditures, the amount available within each state, and the aggregate need of its students. Institutions must locate jobs for students either on-campus (for public or private non-profit schools) or off-campus with public or private non-profit agencies. Students are generally paid the Federal minimum wage rate. However, schools may pay less than that if they request a waiver. Students apply directly to their school and the school selects the recipients as well as determines the amount of aid each is to receive. In this way, the school is provided the flexibility necessary to meet individualized student needs.

Basic Program Requirements

Graduate or undergraduate students with great financial need who are enrolled on at least a half-time basis in a program of study offered by a participating school are eligible for CWS aid. In addition, they must:

1. be U.S citizen or permanent resident and in this country for other than a temporary purpose;
2. be in good standing and making satisfactory academic progress;
3. not owe a refund on a Title IV grant or be in default on a Title IV Loan received for attendance at any institution.

Institutions must comply with Federal regulations and reporting requirements in order to participate.

B. TITLE IV: BASIC GRANTS MAXIMUM AWARD AND REDUCTION SCHEDULE (SECTION 411)

The Proposal

The Basic Grants maximum award will be set at the level required to exhaust appropriations while fully funding all entitled students, unless this level is less than $1,800 (or the previous year's maximum award). In this instance new reduction language would be placed into effect.

The new reduction language would hold harmless students with entitlements within $200 of the maximum award. For other students the reduction formula is a simple formula where the percentage reduction increases as the entitlement decreases. The minimum award would be $200.

Present Law

Currently the entitlement ceiling is set in statute and is equivalent to the maximum award if the program is fully funded. If the program is not fully funded a multi-stage reduction formula goes into effect.

The multi-stage reduction formula provides that all awards be reduced according to procedures specified in the statute. First, awards are reduced by percentages determined in the statute, with awards going to high-need students being reduced by the smallest percentage. Second, if appropriations are higher or lower than this new level of funding, awards are increased or decreased proportionately until appropriations are exhausted.

Reasons for Recommendation

This proposal simplifies the process which determines the maximum award. It eliminates the need for statutory language each time the maximum award is to be changed.

The new reduction formula retains the important provision of protecting the most "needy" students. In addition, it eliminates the awkward and inequitable "staircase" schedule of reduction. For example, under the proposed simple formula approach a student scheduled to receive an award under full funding of $1,199 will be reduced only very slightly more than a student scheduled to receive $1201. Under current law, however, the student scheduled to receive $1,199 would be reduced to $899 in the first step of the reduction while the student scheduled to receive $1,201 would be reduced to only $1,080. This results in a difference in award of over $180 being paid to two students with almost exactly the same need. The new formula would eliminate this inequity.

C. TITLE IV: BASIC GRANT -- AVERAGE vs. ACTUAL COSTS FOR RECIPIENTS LIVING ON CAMPUS (Section 411)

The Proposal

The Administration proposes that institutions be permitted to use a school-wide average of tuition and room and board charges to calculate the Basic Grant award.

Present Law

Actual tuition and room and board charges must currently be used in calculating the Basic Grant award for a student living on campus.

Reasons for Recommendation

The current law requires colleges to calculate each BEOG based on the recipient's actual tuition and room and board costs, thus adding to their administrative burden. Using average rather than actual costs will reduce the administrative burden on financial aid officers without increasing costs and without affecting awards for most students. For example, some institutions have more than 30 different student budgets.

44)

D. TITLE IV: BASIC GRANT -- RELATIONSHIP TO VETERANS AND SOCIAL SECURITY BENEFITS (SECTION 411)

The Proposal

The Administration proposes to reduce a student's BEOG award by an amount equal to half of any Veterans education benefits plus half of any Social Security education benefits received by the student.

Present Law

Section 411(3)(B)(iii) specifies that in calculating the expected family contribution for dependent students one-half of any Veterans education benefits and all of any Social Security education benefits received by the student are counted as family income and subsequently taxed at the rate of 10.5 percent.

Reasons for Recommendation

The current liberal treatment of V.A. and Social Security Benefits results in some students receiving aid that exceeds their cost of education. The Administration proposal would partially alleviate these "overaward" situations. The proposal would save money and would provide for more equitable distribution of Federal expenditures on student financial aid.

E. TITLE IV: SUPPLEMENTAL GRANTS AND STATE STUDENT INCENTIVE GRANTS--REMOVING THE DISTINCTION BETWEEN INITIAL AND CONTINUING YEAR FUNDS (SECTIONS 413A AND 415A)

The Proposal

Eliminate the distinction between Initial Year and Continuing Year funds in the Supplemental Grant and State Student Incentive Grant Programs.

Present Law

The SEOG and SSIG statutes authorize separate appropriations for (1) first-time recipients of these grants and for (2) students continuing to receive these grants in subsequent academic years.

Reasons for Recommendation

The proposal simplifies program administration at the institutional, State and Federal levels. The proposal makes life easier for aid officers by providing one funding pot, instead of two, for each of these programs.

F. TITLE IV: SUPPLEMENTAL GRANTS--MAXIMUM AWARD (SECTION 413B)

The Proposal

The Administration proposes to increase the maximum annual SEOG award to $2,000. The aggregate SEOG maximum will be increased to $8,000 for students in four-year programs. For students enrolled in a five-year undergraduate program or determined by the institution to need five years to complete a course of study normally requiring four years, the aggregate SEOG maximum will be increased to $10,000.

Present Law

Present law specifies that the maximum annual SEOG award is $1,500. The aggregate SEOG maximum is currently $4,000 for regular students and $5,000 for students enrolled in a five-year undergraduate progrm or determined by the institution to need a fifth year to complete a program that normally requires four years.

Reason for Recommendation

The proposal recognizes the increased college costs borne by today's students.

G. TITLE IV: STATE STUDENT INCENTIVE GRANT PROGRAM -- STATE MATCHING REQUIREMENTS (Section 415)

The Proposal

The Administration recommends that the current matching of "old" State funds be phased out. The goal is to increase State contributions to this program by providing a 100 percent Federal match only for new State funds each year.

During the phase-in period new State dollars would be matched 100 percent the first year they are allocated while old State dollars would be matched on a declining rate. The first year new funds would be matched 100 percent and old funds matched at 80 percent. In the second year new funds would be matched at 100 percent and old funds matched at 60 percent. By the fifth year only new funds would be eligible for the Federal match.

For example, consider a State that in 1980 contributes $500,000 to the SSIG program and in 1981 contributes $600,000. In 1981, the State would receive a 100% Federal match on $100,000; on the remaining $500,000 it would receive an 80% Federal match. If the State increased its investment in SSIG to $700,000 in 1982, it would receive a 100% Federal match on $100,000 and a 60% Federal match on the remaining $600,000. By 1985, the State would only receive Federal matching for funds in excess of those contributed in 1984.

Present Law

Section 415C requires dollar-for-dollar matching of State funds which represent an increase in scholarship expenditures over the base year -- defined as the second year before the State entered the SSIG program. These range from 1972 to 1975.

Reasons for Recommendation

Some States with mature scholarship programs increased their scholarship expenditures at a rapid rate and now need incentives to continue to increase their expenditures (rather than be tempted to retrench to a level which barely meets maintenance of effort requirements). At the same time, about 20 States have established wholly new scholarship programs in order to qualify for SSIG funds; most of these States have barely been able to increase their State expenditures fast enough to qualify for their SSIG allotments. Four States with mature scholarship programs (New York, Pennsylvania, California, and Illinois) together account for more than 60 percent of all State scholarships whereas 30 States with newer and less advantaged program depend primarily upon SSIG and State matching and account for only 5 percent of the Nation's total State scholarships. The proposal is designed to particularly aid these newer States.

48)

H. TITLE IV: COLLEGE WORK-STUDY--CREATIVE NEW USES OF FUNDS (SECTION 443)

The Proposal

The Administration proposes that the College Work-Study (CWS) statute encourage institutions to:

- Send CWS participants into junior and senior high schools to inform secondary school students and their parents about Federal student aid and to provide tutoring to needy students.
- Place more handicapped students in CWS jobs.
- Create CWS jobs that provide services needed by handicapped students such as reading for the blind, interpreting for the deaf, and pushing wheelchairs.

Present Law

These uses of CWS funds would be possible, but are not specifically permitted and encouraged, under the existing statute.

Reasons for Recommendation

The proposal provides tutorial services and much-needed information about Federal student financial aid to secondary students and enhances educational opportunities for handicapped students while providing interesting and fulfilling work experiences for CWS participants.

VI. GENERAL PROVISIONS: HIGHER EDUCATION ACT, TITLE IV

A. Overview of the Program

Program Purpose

Each of the Title IV student assistance programs has eligibility requirements that institutions must meet in order to participate. Institutions must conform with the general provisions in Section 1201 of Title XII, as well as comply with the provisions in Part F, Title IV. These include definitions, administrative expenses, student aid information services, maintenance of effort, eligibility for student assistance, and fiscal eligibility of institutions.

50)

B. TITLE IV: A PACKAGING FRAMEWORK (SECTION 404)

The Proposal

Packaging of student aid programs for an individual student is best handled at the institutional level, and student financial aid officers must be able to exercise discretion in this process. For this reason, we have resisted inflexible, Federally-imposed packaging rules. However, Administration proposals do suggest a framework into which most student aid packages will fall. This structure has three parameters:

- The Basic Grant remains the foundation of the package.
- A need-based loan is the last layer of the package -- with the amount of this loan being that which remains after the family contribution, all other available sources of financial aid, and a standard contribution from student self-help are subtracted from the student's cost of education.
- To qualify for a need-based loan, the student must contribute $700 worth of self-help, in the form of Work-Study, unsubsidized work, or a loan that is not need-based.

The student aid officer would have discretion to waive the self-help requirement in unusual circumstances and would retain responsibility for deciding how much of what type of aid should flesh out this basic framework of assistance for a given individual.

Current Law

The law implies that the Basic Grant should be the foundation or first layer of a student's financial aid package. However, there is no overall packaging philosophy contained in current law.

Reasons for Recommendation

Existing packaging practices often produce inequitable results. Students with similar needs often receive different packages. A few institutions have gone so far as to burden students with large loans without first investigating their eligibility for Basic Grants.

The packaging framework proposed by the Administration, when coupled with a single needs analysis system, will introduce more uniformity and equity into student aid packaging while at the same time maintaining flexibility for the student financial aid officer. Students and their parents will have greater ability to predict the types and amounts of aid they are likely to receive at schools in various cost ranges. The Federal government will have improved ability to estimate the amount and distribution of Federal student aid dollars required each year.

C. TITLE IV (AND TITLE XII): ELIMINATE ACCREDITATION FOR INSTITUTIONAL ELIGIBILITY (FORMERLY SECTIONS 435, 491, and 1201)

The Proposal

The Administration proposal related to accreditation affects institutions applying for all Higher Education Act programs, not just the Title IV programs.

The Administration proposes to sever completely the link between private accreditation and institutional eligibility for Higher Education Act programs. The proposal would:

- Eliminate accreditation as a statutory requirement for institutional eligibility for Higher Education Act programs.
- Maintain and place greater reliance on the existing statutory requirement that an institution must be legally authorized by the state in which it operates.
- Continue administrative actions to enforce, at the program level, requirements for responsible institutional management of Federal funds.
- Strengthen student information requirements so that students and parents can make more informed decisions about where to spend their education dollars.

Present Law

Accreditation is one of several requirements that a postsecondary institution must meet to establish threshold eligibility for Higher Education Act programs. (Beyond this threshold eligibility, an institution must also meet the specific eligibility requirements of individual programs.) For the purposes of this threshold eligibility process, the Higher Education Act requires the Commissioner to "publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered." Over the years, the Office of Education has developed elaborate regulations and review procedures to determine which accreditation agencies are suitable for inclusion on the Commissioner's list.

53)

Reasons for Recommendation

- Problems with the existing system

  After careful study, the Administration has come to the firm conclusion that reliance on private accreditation for Federal eligibility purposes does not ensure wise investment of Federal dollars. Instead, it:

  - Encourages the proliferation of accreditation agencies (many of which are superfluous to the Federal eligibility process);
  - Creates needless paperwork for institutions, accrediting agencies, and the Federal government;
  - Most importantly -- misleads students and their parents into believing that the Federal government vouches for the quality of any educational institution or program that receives funds under the Higher Education Act.

- How the Administration proposal addresses these problems

  The Administration proposal:

  - Frees accreditating agencies to do their job
    The Administration proposal does not constitute a statement of dissatisfaction with private accreditation. On the contrary, the proposal reflects our concern about inappropriate use of accrediting agencies by the Federal government. These agencies rendered valuable service to the postsecondary education community long before the Federal government became involved in their activities; we expect that they will continue to do so when their tie to the Federal government is severed. In fact, we believe that our proposal will enhance the vitality of most private accrediting agencies by freeing them from intrusive Federal regulation and pressures to take on inappropriate activities that are unrelated to their central mission of assessing the quality of education.

54)

- Cuts down on bureaucracy and paperwork for the federal government, accrediting agencies, and institutions

- Will prompt citizens to force the states to take greater responsibility for the quality of education offered by institutions within their borders

- Does not mislead students and parents
  The proposal gives students and parents the ultimate responsibility for the quality of the education they purchase, but informs them about how to exercise that responsibility intelligently.

- Saves money
  The proposal frees for alternative and more productive uses the roughly half a million dollars currently spent by the Federal government to monitor accrediting agencies.

D. TITLE IV: INSTITUTIONAL ELIGIBILITY -- STANDARDS OF ADMINISTRATIVE AND FISCAL RESPONSIBILITY AND REQUIREMENTS FOR PROVISION OF STUDENT INFORMATION (SECTIONS 493 and 493A)

The Proposal

- Standards of administrative and fiscal responsibility

  The Administration proposes that Title IV clearly enumerate standards of administrative and fiscal responsibility as a prerequisite for institutional eligibility for student aid funds. These standards would include requirements for a fair and equitable refund policy and institutional agreement to provide validation and record-keeping support for student financial aid programs. The Department intends to undertake a study of the drop out problem.

- Requirements for the provision of student information

  The Administration proposes to make the existing student information requirements found in Section 493A a prerequisite for institutional eligibility for the student aid programs (rather than simply a use to which institutions receiving administrative cost allowances must put these funds). Further, institutions would be required to provide information to all students and potential students. In addition to those information items presently required, all institutions will have to provide information about services and facilities for handicapped students, and those institutions that claim to prepare students for employment in specific fields will have to provide placement data on recent graduates.

Present Law

Present law does not require institutions to provide information as a condition for eligibility. Institutions receiving administrative cost allowances are required to use these funds first to provide, on request, the types of student information listed in section 493 A, including information about financial aid, tuition and other costs, refund policies, and academic programs.

2

The current law does not set specific standards for administrative and fiscal responsibility.

Reasons for Recommendation

The Administration proposals would make institutions receiving Federal student financial aid more accountable to students, parents, and the Federal government. Specific standards and requirements will make enforcement easier. Improved access to information will improve students' ability to make informed decisions about where to spend their education dollars, thereby improving the effectiveness of the Federal investment in student aid.

C. TITLE IV: SUPPLEMENTAL GRANTS AND COLLEGE WORK-STUDY--FIVE PERCENT CARRY OVER (SECTION 492A)

The Proposal

The Administration proposes to allow institutions to carry forward up to five percent of their Supplemental Grant and College Work-Study funds from one funding year to the next.

Present Law

Present law provides no carry over provision for these programs.

Reason for Recommendation

The proposal will assist financial aid officers to manage funds for these programs more efficiently.

F. TITLE IV: ADMINISTRATIVE ALLOWANCE TO INSTITUTION (SECTION 493)

The Proposal

Pay the institution $10 for each student aid recipient.

Present Law

For Basic Grants and Guaranteed Student Loans the statute permits a payment of $10 for each recipient in each of these two programs. Also, for the campus-based programs -- Supplemental Grants, Direct Student Loans and College Work-Study -- institutions are permitted to use up to 4 percent of their allocation under these three programs, not to exceed $325,000.

Reasons for Recommendation

The proposal makes life easier for student aid officers and institutions by providing a single, reliable source of funds to meet expenses associated with the administration of student aid funds.

C. TITLE IV: SINGLE APPLICATION FORM, PROCESSED AT NO FEE TO THE STUDENT (SECTION 497)

The Proposal

Legislatively mandate continued use of a single form by which a student may apply for aid. The Federal government -- not the student -- would pay for the processing of the mandated form. This proposal would not preclude disaggregated processing by States, institutions or private firms.

Current Law

Existing statutes do not mandate a single form.

Reasons for Recommendation

Students, parents and institutions have been plagued by complexity and confusion resulting from the multiple application forms required to obtain Federal, state, and institutional aid. While the cost of processing application forms for the Basic Grant Program is borne by the Federal government, a student must pay to have private agencies process his or her application for campus-based financial aid.

With the support and cooperation of Congress and in full consultation with the student financial aid community, the Administration has ready for implementation in academic year 80-81 a single form by which a student may apply for need-based financial aid from Federal, State, and institutional sources. While the implementation of this single form clearly falls within the scope of the Department's administrative authority, we believe that the Congress will want to ensure the continuation of the single form for all need based aid in future years by mandating it in the statute. The single form will save hours of paperwork for students, parents, and institutions and will prevent students from having to pay to find out the extent of their financial need.

H. TITLE IV: A SINGLE NEEDS ANALYSIS SYSTEM (SECTION 494)

The Proposal

The Administration seeks statutory authority to develop and implement a single needs analysis system for all Federal need-based student assistance programs. The single system would be developed in close consultation with representatives of colleges and universities and the private organizations that are currently involved in needs analysis. The new system would be subject to Congressional review as is the present Family Contribution Schedule used for the Basic Grants Program. Of course, aid administrators would continue to have flexibility to make adjustment for unusual student circumstances in the campus based programs.

Present Law

The two major methods currently in use for the calculation of a family's expected contribution to a student's education are the Basic Grants Family Contribution Schedule and the Uniform Methodology. In the BEOG program, award size is determined through the Basic Grant Family Contribution Schedule. For the remaining Federal aid programs, either the BEOG schedule or the privately developed Uniform Methodology or other methods approved by the Commissioner may be used to determine need.

Reasons for Recommendation

Application of one method of determining a family's expected contribution does not produce the same results as application of another method. The choice of the method influences the amount of the student's "need", and consequently the amount of financial aid he or she receives. This use of different calculations to distribute student aid results in complexity, confusion, and inequity for students and parents.

Development and use of a single system would simplify program administration and make the Federal award-making process more consistent, predictable, and equitable.

51)

I. TITLE IV: DEFINITION OF DEPENDENT AND INDEPENDENT STUDENT (SECTION 494)

The Proposal

All students under the age of 23 will be regarded as *dependent* students -- whether claimed on their parent's income tax form or not -- *unless* these students are married or have dependents of their own.

Students who are 23 or older will be classified as *independent* if they have not been claimed on their parents' income tax form for the past year.

Present Law

An *independent* student is currently defined as one who for the year prior to the award period and for the two calendar years in which the award period occurs was:

- not claimed as a dependent on his parents' tax form;
- not residing with his parents for more than six weeks each year;
- not receiving more than $750 in cash or in kind from his parent(s) during any year.

Students who do not meet these three criteria are classified as *dependent*.

Reasons for Recommendation

A student would often be eligible for larger aid awards if he or she were classified as independent than if he or she were classified as dependent. This may encourage some students, particularly those from higher income families, to declare themselves independent, thereby relieving parents of financial obligations for college costs incurred by their children.

Though the current definition of independent student is based on three criteria, only one can actually be verified -- whether or not the student was claimed as a dependent on his or her parent(s) Federal Income Tax return.

The Administration proposal would (1) reaffirm parental responsibility for financing a portion of postsecondary education expenses, (2) prevent students from declaring independence solely for the sake of claiming Federal aid, and (3) provide a more enforceable standard to determine independence.

J. TITLE IV: SUPPLEMENTAL GRANTS, COLLEGE WORK-STUDY AND BASIC AND SUPPLEMENTAL LOANS--PROCEDURES FOR DETERMINING OFF-CAMPUS LIVING COSTS (SECTION 494(d))

The Proposal

The Administration seeks statutory authority to set specific procedures for schools to follow in determining living costs for off-campus students applying for Supplemental Grants, College Work-Study, and Basic and Supplemental Loans. The procedures will include data gathering requirements to determine reasonable costs for transportation, books, room, board, and miscellaneous living expenses.

Present Law

Present law allows institutions full discretion in determining the living costs permitted for off-campus students for the purposes of calculating eligibility for the campus-based (SEOG, CWS, and NDSL) programs.

Reasons for Recommendation

The GAO has discovered wide, often unexplainable, variations among schools in the living costs allowed for off-campus students in calculating award amounts under the campus-based programs. The Administration proposal will prevent less scrupulous schools from obtaining an unwarranted share of the campus-based funds.

X. TITLE IV: STANDARDS OF ACADEMIC PROGRESS (SECTION 495)

The Proposal

Require that a student financial aid recipient must successfully complete at least 50 percent of the course load undertaken using Title IV aid during a given period of enrollment (usually the preceding academic year) in order to be eligible for Federal aid in a subsequent period of enrollment.

A student not meeting this rule would not be eligible for further funding until he or she had made up the appropriate number of credit hours -- not at Federal expense. Students making up the credit hours would not have to be enrolled at least half-time.

This requirement would be waived for demonstrated hardship circumstances.

Present Law

Present law indicates that to be eligible for Title IV financial assistance, an enrolled student must be "in good standing" and making "satisfactory progress" -- as defined by the institution -- toward completion of his or her program of study.

Reasons for Recommendation

Current law permits institutions to define the terms "in good standing" and "satisfactory progress" any way they wish. The standards at some institutions are simply continued enrollment. Some institutions carry a student on academic probation indefinitely. Others allow the student to drop-out and then be readmitted upon request. This situation creates the potential for possible fraud and abuse of financial aid funds by students and institutions. Institutions facing declining enrollments and budget cut-backs will be tempted to define "in good standing" and "satisfactory progress" very loosely in order to maintain the flow of Federal student aid dollars to their campuses. The Administration proposal would curb this potential for abuse by requiring all students to meet minimum standards of academic progress. Taxpayers will be ensured that the Federal investment in student aid is not being wasted. Student aid recipients will be encouraged to take seriously their responsibility to study and reap maximum benefits from the educational opportunities they have received.

66)

L. TITLE IV: EXTENSION OF CRIMINAL PENALTIES PROVISION TO COVER ALL TITLE IV FINANCIAL AID PROGRAMS (SECTION 499)

The Proposal

The Administration proposes to establish specific criminal penalties for individuals and institutions convicted of fraud or abuse related to any Title IV financial aid program.

Present Law

Section 440 of the Higher Education Act mandates specific penalties for fraud and abuse in the Guaranteed Student Loan Program.

Reasons for Recommendation

The proposal will provide better protection of the Federal investment in student financial aid.

47)

VII. Special Programs for Students from Disadvantaged Backgrounds (TRIO): HEA Title IV, Part A, Subpart 4.

A. Overview

Program Purpose

The purpose of the TRIO programs -- Upward Bound (UB), Talent Search (TS), Special Services for Disadvantaged Students (SSDS), Education Opportunity Centers (EOCs), and Service Learning Centers (SLCs) -- is to help low-income people enter, continue, or resume postsecondary education by supporting programs which provide a variety of needed services. These services include information about postsecondary opportunities, remediation, and counseling.

Grants are made to eligible applicants for programs designed to deliver these services to youth from low-income families who have academic potential but who: lack adequate secondary school preparation; are physically handicapped; are disadvantaged because of severe rural isolation; have limited English-speaking ability; or are from a deprived educational, cultural, or economic background.

Program Coverage and Funding

The individual programs support activities as follows:

- o Upward Bound is a program for youth from low-income families who have academic potential but lack adequate secondary school preparation. Through residential summer sessions or Saturday classes, remedial instruction, tutoring, and counseling is provided participants. In FY 1979, about 50,000 students will participate in Upward Bound programs, at a cost of $61 million.
- o Talent Search funds projects which identify and encourage qualified students with financial need to enroll in postsecondary programs, by providing counseling and information about educational career options and available student aid. In 1979, over 200,000 students will be served at a cost of $15.3 million.
- o Special Services for Disadvantaged Students provide remedial and supportive services to enrolled students who have educational, cultural or economic needs. Almost 600 projects will be supported in 1979 at a cost of $55 million. They will serve about 170,000 students.

- o Education Opportunity Centers are off-campus centers which provide counseling and information services to prospective students prior to enrollment and tutoring after enrollments. In 1979, $6.3 million supported about 30 projects and 100,000 students.

- o Service Learning Centers support activities similar to Special Services. This program is unfunded.

3. TITLE IV: "TRIO" -- PROGRAM PURPOSE AND ELIGIBLE POPULATION (SECTION 417A)

The Proposal

Change the language on TRIO (Special Programs for Students from Disadvantaged Background) to describe the program's mission and its basic target population. The new language would make explicit:

- that the overall mission of TRIO is to provide access to, retention in, and successful completion of programs of postsecondary education;
- that the eligible populations are primarily, but not exclusively, economically disadvantaged. Economic disadvantagement is defined as a family income of 150 percent of the prevailing poverty index.

Present Law

The program purpose and general student eligibility language is located throughout Section 417. It is vague, referring to a "academic potential", "lack adequate ... preparation in," and applies to all five TRIO programs without regard to their major program distinctions. There is no language that clearly describes the mission of the TRIO programs, or specific language that distinguishes program services, target groups, and grantee eligibility in line with each program's emphasis.

Reason for Recommendation

By clearly stating TRIO's mission and general target population in the umbrella language, the confusion caused by the current general language (such as academic potential, inadequate secondary school preparation, and physically handicapped) will be removed. Simplified eligibility criteria for each program will be written into each respective section. (See next proposal.) These criteria will relate only to the emphasis of the individual program.

C. TITLE IV: TRIO' -- ELIGIBILITY REQUIREMENTS FOR SPECIFIC PROGRAMS (SECTION 417)

The Proposal

The Administration proposes to describe eligibility requirements for each program category. The following criteria are proposed:

- o Upward Bound (UB) would require only economic disadvantagement (at 150 percent of the prevailing poverty index).
- o Special Services (SSDS) would require economic disadvantagement (150 percent of the prevailing poverty index) and educational disadvantagement, using the following formula:
  - -- For 2/3 of the participants, economic and educational disadvantagement
  - -- For 1/3 of the participants, educational disadvantagement
- o Talent Search (TS) and Education Opportunity Centers (EOCs) would serve participants from designated geographic areas characterized by major concentrations of economically disadvantaged residents. Priority would be given to residents of these areas with the lowest incomes.

Present Law

Current law does not set specific economic eligibility criteria. Numerous other eligibility qualifiers, such as physically handicapped and rurally isolated are included in the statute.

Reason for Recommendation

There is a need to specify target groups for each program. Establishing 150 percent of the poverty level as economic disadvantagement would qualify certain marginal low-income groups who are currently turned away. Using this as the sole criterion for Upward Bound eligibility would allow educationally disadvantaged students as well as academically better prepared students to participate. This is important for special emphasis Upward Bound projects that focus on such areas as science or mathematics.

For the Special Service Program the educationally disadvantaged who cannot meet the economic criterion, but are in academic need, would be able to participate because of the use of the educational disadvantagement criteria. This would address the serious attrition problems facing many minority and educationally disadvantaged students.

The Talent Search and Educational Opportunity Centers programs would be placed in areas with major concentrations of economically disadvantaged residents. They would be community based and eligibility would be determined by geographic area rather than by individual characteristics. While priority would be given to the lowest income persons, all residents within the project areas would be eligible for services. This would eliminate the seemingly discriminatory practice of turning away needy residents because of minor income differences.

D. TITLE IV: TRIO -- CONSOLIDATE TALENT SEARCH AND EDUCATIONAL OPPORTUNITY CENTER PROGRAMS (Section 417D)

The Proposal

The Administration proposes consolidating Talent Search (TS) and Educational Opportunity Centers (EOC) into one program targeted to geographic locations with high concentrations of low-income residents. Although all residents of the targeted area could apply to the new program, first priority for service would be given to the lowest income persons. The proposal would make medium size grants available uniformly throughout the country.

Present Law

Talent Search and Educational Opportunity Centers currently are separately authorized by Sections 417D(b)(1) and 417D(b)(4) of the Higher Education Act.

Reason for Recommendation

The two programs perform similar services and in some cases they operate in the same geographic area. Talent Search, however, concentrates on youth while Educational Opportunity Centers tends to focus on adults.

Consolidation would eliminate artificial eligibility distinctions, duplication of services and costs, and bolster current Talent Search budgets.

(Average size grants for TS are now $60,000 and for EOC, $250,000). Cost savings associated with consolidating staff and operations would occur in a few areas.

73)

E. TITLE IV: "TRIO" -- REPEAL THE SERVICE LEARNING CENTER AUTHORITY (FORMERLY SECTION 417(B)(b)(5))

The Proposal

Repeal the Service Learning Center (SLC) authority.

Present Law

The SLC authority is contained in Section 417(B)(b)(5).

Reason for Recommendation

The SLC program category was established by the Education Amendments of 1976. It has never received an appropriation. It is an on-campus program calling for remediation and other retention services, which duplicate Special Services for Disadvantaged Students (SSDS) activities.

74)

F. TITLE IV: VETERANS COST OF INSTRUCTION PROGRAM (VCIP) (SECTION 420)

The Proposal

The Administration proposes to give new emphasis to the problems of handicapped and incarcerated veterans. It proposes to expand the category of veterans for which institutions receive bonus payments under the Veterans Cost of Instruction Program to include these groups. Moreover, the Administration proposes to extend institutional cooperation and the efficient allocation of resources under VCIP by allowing formation of consortia involving any institutions which are independently eligible for participation in the program.

Present Law

Payments to institutions under the Veterans Cost of Instruction Program are currently calculated on the basis of two categories: (1) enrollment of undergraduate veterans who are eligible for VA benefits; (2) enrollment of veterans who received special VA benefits for the educationally disadvantaged. This latter category is the basis for bonus payments (Section 420(b)(1)); under the Administration's proposal, handicapped and incarcerated veterans would be added to this category.

Present law allows institutions to form consortia for participation in the Veterans' Cost of Instruction Program only if the institutions forming the consortia have enrollments under 2500. (Section 420(c)(1)). This size limitation would be removed for institutions which are independently eligible to participate in the program.

Reason for Recommendation

The special needs of handicapped and incarcerated veterans have received increased recognition. By including the handicapped and the incarcerated in the category of veterans counted for bonus payments under the Veterans Cost of Instruction Program, the Administration's proposal will focus special new attention on especially needy veterans. Allowing larger institutions to also form consortia for participation in the Veterans' Cost of Instruction Program will enable such institutions to engage in greater cooperation, and thereby allocate their resources more efficiently and target necessary services more specifically.

VIII. Teacher Corps and Teacher Training Programs: HEA Title V

A. Overview

Program Purpose

Title V authorizes two major Federal programs for professional development: Teacher Corps and Teacher Centers.

1.) Teacher Corps provides assistance through competitive grants to teacher training institutions to work with local education agencies in jointly providing training in schools with substantial portions of economically disadvantaged youngsters.

2.) The Teacher Centers program supplies funds for teacher controlled centers located in local school districts. These Centers offer in-service support and training for the teachers.

Program Coverage and Funding

Teacher Corps has been funded at $37.5 million for FY 78 and FY 79. In FY 1978, approximately 120 continuation grants were awarded in 60 cities and 162 new grants to 31 cities. The Teacher Center program receives about $10 million per year. In FY 1978, 61 grants were awarded to support 100 centers.

B. TITLE V - TECHNICAL MODIFICATIONS TO TEACHER CORPS AND TEACHER CENTERS

The Proposal (Section 513(e)(1))

The Administration proposes to change the local community councils under Teacher Corps to school/community councils.

Present Law

The legislation currently provides Teacher Corps projects with local community councils.

Reasons for Recommendation

Community Councils control the direction and nature of local Teacher Corps projects. As Teacher Corps increasingly become an in-service program, local educators are needed to help define individual project characteristics. Including teachers and school administrators on community councils will help to create feasible programs responsive to both community and professional needs.

The Proposal (Section 531)

Eliminate the 10 percent set-asides for both Teacher Centers and Training for Higher Education Personnel.

Present Law

Section 531 currently designates that not less than 10 percent of the funds appropriated in any fiscal year be used for both Teacher Centers and Training for Higher Education Personnel.

Reasons for Recommendation

The 10 percent set-aside for Training for Higher Education Personnel has never been funded or requested and a set-aside for Teacher Centers is not needed.

The Proposal (Section 531)

77)

The Administration proposes that the statute require equitabl geographic distribution in awarding grants under Teacher Centers.

Present Law

Geographic distribution of awards is not addressed in the current legislation.

Reasons for Recommendation

In order to reach a broader population base of teachers, it is necessary to provide professional resources more equitably throughout the country.

IX Higher Education Act: Title VI:

Foreign Studies and Language Development

(Replaces National Defense Education Act: Title VI)

A. Overview

Program Purposes

National Defense Education Act VI, (NDEA VI) programs are designed to strengthen the Nation's capacity for research in, and the teaching of, modern foreign languages, foreign area studies, and international education. These programs fund activities which train or update the skills of specialists in foreign languages and world studies, which produce new knowledge about other nations and cultures, and which improve curricula and instructional materials in these areas. Major features of the NDEA VI programs include support for highly specialized area studies centers, fellowship support or foreign language studies and faculty and doctoral dissertations research grants.

Program Coverage and Funding

The total appropriation in 1979 was $17,000,000. Of th[illegible], $8,000,000 provided for 80 area centers, and $4,503,000 supported 790 fellowships. The remaining funds supported research, consortia programs, and cultural understanding projects. The 1980 budget request is $18,000,000.

B. TITLE VI: REPLACE SECTION 602 OF NATIONAL DEFENSE EDUCATION ACT, TITLE VI WITH SECTION 101 AND SECTION 102, PARTS (a) AND (c), OF THE EXPIRED INTERNATIONAL EDUCATION ACT. CHANGE SECTION 603 OF NDEA VI

The Proposal

Fold together part of the International Education Act with NDEA VI and create a new HEA Title VI. Replace Section 602 of NDEA VI with Section 101 and parts (a) and (c) of Section 102 of the expired International Education Act (IEA) of 1966. Also modify Section 603 to encourage the development of State and national programs and to stimulate the development of foreign language projects in elementary and secondary schools.

Present Law

Section 601 of the NDEA VI authorizes the language and area study centers. Section 101 of the International Education Act authorizes the Secretary to fund activities in advanced international studies that may be concentrated either on specific geographical areas of the world or on particular fields or issues, or on both. It also allows the Secretary to make grants to public and private nonprofit agencies for activities that will contribute to improving international understanding.

Section 102 (a) of the IEA authorizes the Secretary to make grants for undergraduate instruction in international studies. Section 102(c) legislates equitable geographic distribution of grants throughout the country and preference in funding to those institutions most in need of funds for programs in international studies.

Section 602 of the National Defense Education Act authorizes the Commissioner to make studies of the need for language and area studies, to conduct research on more effective methods of teaching those fields, and to develop specialized materials for such teaching. Section 603 currently authorizes grants to stimulate locally designed programs for understanding other nations.

Reasons for Recommendation

Incorporating the provisions of the International Education Act into NDEA VI Section 602 will strengthen that international education authority.

X. Higher Education Act: Title VII

Construction, Reconstruction and Renovation of Academic Facilities

A. Overview

Program Purpose

Title VII authorizes programs of grants, loans, interest grants, loan insurance and disaster assistance for construction and improvement of undergraduate and graduate facilities.

Grants for Construction of Undergraduate Academic Facilities (Section A) and Grants for Construction of Graduate Facilities (Section B) are awarded for up to 50 percent of project development cost.

Under Section C, direct loans are authorized for the construction and improvement of academic facilities at a rate not to exceed 3 percent. Also, under Section C, the Annual Interest Grants Program helps postsecondary institutions with loans obtained in the private capital market. It makes grants which represent the difference between interest paid on a private loan and that paid on a loan whose interest rate is 3 percent.

Section C also provides for an Academic Facilities Loan Insurance Program which has never been implemented. Section D authorizes a Disaster Assistance Program.

Part E authorizes grants and direct loans for reconstruction and renovation projects designed primarily to conserve energy, remove architectural barriers, or bring facilities into compliance with health, safety, or environmental protection requirements.

Funding History

Funds for Section A are allotted to the States on the basis of a statutory formula. Section A is authorized at $300,000,000 but no funds were appropriated in 1978 and 1979, or requested for 1980. Section B is authorized at $20,000,000. Upon congressional initiative it was funded for $8,740,000 in 1978 but there was no funding for 1979 nor any requested for 1980. No funds for new projects have been requested for Part C in recent years.

All appropriations, since then ($29,000,000 in FY 1979 and requested for 1980) have been for previously approved projects. No funding has been approved for Parts D or E.

B. TITLE VII: INTEREST RATE FOR FACILITIES LOANS (PART C, SECTION 742(b))

The Proposal

The Administration proposes that the interest rate charged institutions for facilities loans be raised from the current 3 percent to an appropriate long-term rate for construction projects set by the Secretary with the approval of the Secretary of the Treasury.

Present Law

The loan interest rate is in Part C, Section 742(b).

Reasons for Recommendation

The proposal would bring loan rates in Title VII more into line with current market conditions for long-term financing. The rates would fluctuate with market conditions.

C. TITLE VII: MODIFY PART E: AUTHORIZE PROGRAM TO IMPROVE RESEARCH FACILITIES

The Proposal

The Administration proposes that funds under Part E be authorized for the reconstruction and renovation of research facilities in addition to other specified activities. The purchase or upgrading of equipment would also be allowed under the research facilities authority. Funds under this part may be distributed by means of need- based State formula grants, discretionary project grants to institutions, and loans (direct, subsidized, or guaranteed).

Present Law

Currently the legislation requires that activities authorized in Part E be funded through Part A, which provides formula funded grants, or Part C, which provides several loan programs.

Reasons for Recommendation

The proposal would give Part E activities their own funding mechanisms. This would provide the flexibility to fund grants on either a formula or discretionary basis or to fund direct, subsidized or guaranteed loans. The purposes of Part E would be expanded to better enable the Federal government to assist research institutions to upgrade their facilities and equipment to state-of-the-art levels.

The primary purpose of these changes is to ensure that our nation's principal universities maintain their high quality research capacity. The nation is dependent upon these major research universities for the bulk of the basic research conducted in this country. These institutions account for more than 50 percent of the estimated $4 billion in basic research funded by the Federal government.

The quality of research conducted at these universities is directly related to the availability of sophisticated equipment and modern facilities in their laboratories. In recent years, however, the combined effect of a number of pressures have made it increasingly difficult for them to maintain up-to-date research facilities. These pressures include:

-- Declining Federal support for facilities and equipment from an equivalent of $126.2 million in 1965 to $23.9 million in 1976 (current dollars)

-- Skyrocketing costs of essential supplies and equipment: outfitting a chemistry laboratory required $10,000 worth of heavy equipment in 1960--now it requires $1 million worth.

Moreover, over the past five years especially there has been:

-- An accelerating pace of obsolescence due to advances in technology

-- Rising maintenance costs of aging facilities--many of which were orginally constructed during the early 60's with Federal funds

-- New Federal requirements in the areas of occupational health and safety.

Without timely Federal assistance for modernizing research facilities, this nation is threatened with an erosion of its research capacity.

XI. Higher Education Act: Title VIII

Cooperative Education

A. Overview

Program Purpose

Title VIII authorizes grants to postsecondary institutions or to a combination of such institutions for the planning, establishment, expansion, or implementation of cooperative education programs, in which employers pay students for periods of work alternated with study and attempt to bring together the worlds of education and work. Institutions are eligible to receive grants with decreasing Federal percentage contributions for five years. The maximum award per institution is $175,000 or $125,000 per each institution in a consortium. A separate authority allows the Commissioner to make training, demonstration or research grants to institutions or public or non-profit agencies and organizations. In practice, these R&D grants have been used to augment the size of the institutional cooperative education grant.

Program Coverage and Funding

Funding levels for FY 1979 and 1980 are $15 million; a total of 90,000 students are expected to participate in these programs in academic year 1979-80. Program evaluations indicate that cooperative education programs are effective in increasing the retention of students.

8. TITLE VIII: ELIMINATE GRANT CEILINGS (SECTION 802(a))

The Proposal

Eliminate statutory ceilings on grants to institutions for cooperative education programs.

Present Law

Section 802(a) specifies that a grant to a single institution may not exceed $175,000 and that a grant to an institution participating in a cooperative education consortium may not exceed $125,000.

Reasons for Recommendation

The grant ceilings in the existing statute make it necessary for an institution to focus Federal Cooperative Education funds on a single program or school within the institution. The Administration proposal would permit larger grants to institutions, thereby encouraging the development of cooperative education throughout the entire institution.

XII. Higher Education Act: Title IX

Graduate Programs

A. Overview

Program Purposes

Title IX contains a broad general authority for the development of targeted graduate student assistance programs in Parts A and B. The successful Graduate and Professional Opportunities Program (GPOP) is authorized under these two Parts. It serves members of groups, particularly minorities and women, that have traditionally been underrepresented among the recipients of graduate and professional degrees in American society. Part B provides fellowships and Part A provides institutional grants. Part B fellowship allocations are given only to those institutions selected for support with Part A funds.

Title IX also contains a variety of other authorities: Part C authorizes Public Service Fellowships; Part D, Sections 962-965 authorizes fellowships in domestic mining and mineral fuel conservation; Part E requires an annual report to Congress; and Part F authorizes general formula assistance to graduate schools. Finally, Part D, Section 966 authorizes Assistance for Training in the Legal Profession (often referred to as CLEO, for the Council on Legal Educational Opportunity).

Program Coverage and Funding

Parts A and B (GPOP) have been funded at $8 million for FY 1979, with $15 million requested for FY 1980. During FY 79 GPOP will award 850 fellowships and 50 institutional grants. CLEO is funded at $1 million in both fiscal years providing services for approximately 550 students. Public Service Fellowships and Mining fellowships have been funded at $4 million and $4.5 respectively in 1979. Roughly 260 Public Service and 462 mining fellowships were awarded during FY 79.

B. TITLE IX: REPEAL MINING AND PUBLIC SERVICE FELLOWSHIPS, AND GENERAL ASSISTANCE TO GRADUATE SCHOOLS (FORMERLY PARTS C, D, AND F)

The Proposal

Part C and those sections of Part D of Title IX which authorize public service and mining fellowships, respectively, would be eliminated from the legislation. Part F, which authorizes general aid to graduate schools would also be eliminated.

Present Law

Part C specifically authorizes Public Service Fellowships; Part D is a somewhat more general authority, which includes Mining Fellowships as an authorized program. The broad language of Part B, Title IX, authorizes fellowships for a wide variety of purposes and is currently used to support the Graduate and Professional Opportunities Program. Part F authorizes general assistance for graduate schools.

Reasons for Recommendation

Part B (which is retained) has adequate authority to fund graduate students in mining as well as other areas.

Part F has never been funded. Other parts of the Higher Education Act (those that provide for the support of research facilities and graduate fellowships) provide adequate authority to assist graduate education.

XIII. Higher Education Act: Title XII

Section 1202 and 1203: State Postsecondary Education Commissions

A. Overview

Program Purpose

Grants are provided to State Postsecondary Education (1202) Commissions to conduct comprehensive planning for all segments of postsecondary education in the State. Such planning involves comprehensive studies of public and private postsecondary educational resources in the State. The Commissions are required to be broadly and equitably representative of the general public as well as of public and private non-profit and proprietary institutions of postsecondary education in the State.

Program Coverage and Funding

Support is provided to Commissions in every State. The Program was funded at $3,000,000 in 1978 and 1979 but no appropriation was requested for 1980.

8. TITLE XII: REMOVE THE REQUIREMENT THAT STATES HAVE 1202 COMMISSIONS (SECTION 1202)

The Proposal

The Administration proposes to eliminate the requirement for State Planning Agencies (1202 Commissions), and the statewide planning functions (Sec. 1203).

Present Law

Section 1202 requires the establishment or designation of a State agency to carry out the statewide planning functions mandated by Section 1203.

Reasons for Recommendation

The proposed minor change will simplify Federal-State relationships. It will remove our interference with the structure of the State governments by eliminating the Federal mandate for the establishment of a 1202 Commission and will require instead only that the specified functions in Section 1203 be carried out by the State.

XIV. EXISTING AUTHORITIES PROPOSED FOR REPEAL

A. Higher Education Act Title VI

Financial Assistance for the Improvement of Undergraduate Instruction

1. Overview

Program Purpose

Title VI is designed to improve undergraduate classroom instruction by providing matching funds for the acquisition of instructional equipment and materials. There are two categories of grants: laboratory and other instructional materials; and closed-circuit direct instruction television equipment. Funds are allocated by formula to States, based on State per capita income and enrollment in institutions of higher education. State commissions develop their own plans, establish priorities, review proposals, and work directly with institutions. Funds are provided on a matching basis with States covering 50 percent of costs.

Program Coverage and Funding

This program has not been funded since 1978.

2. Repeal Title VI

Proposal

The Administration proposes to repeal Title VI from the existing Higher Education Act.

Reasons for Recommendation

There is no demonstrated need for this program and little evidence of the program's past effectiveness. The program has not been funded since FY 1978.

B. Higher Education Act Title X

Establishment and Expansion of Community Colleges

1. Overview

Program Purpose

Title X, Establishment and Expansion of Community Colleges authorizes grants to States to establish or expand community colleges in areas which do not adequately meet demand. It also established the Bureau of Occupational and Adult Education which is currently in operation.

Program Coverage and Funding

No parts of this title have ever received funding.

2. REPEAL TITLE X

The Proposal

The Administration proposes to repeal Title X from the Higher Education Act.

Reasons for Recommendation

This title is unnecesary because the establishment and expansion of community colleges has proceeded satisfactorily without the use of Federal funds. This Title has never been funded. The Bureau of Occupational and Adult Education may continue to function without this authorization.

C. Higher Education Act: Title XI

Law School Clinical Experience Program

1. Overview

Program Purpose

The program awards grants to accredited law schools for establishing or expanding demonstration projects to provide clinical experience to law students in the practice of law. Preference is given to projects providing experience to the extent practicable in the preparation and trial of cases. Federal funds, which are limited to 90 percent of total costs, may be used for planning, preparation of teaching materials, administration, the training of faculty members, supervision, and travel. No law school may receive more than $75,000. Grants are allowed to assure equitable distribution throughout the United States. Grants were awarded for the first time on September 1, 1978.

Program Coverage and Funding

$1.0 million was appropriated in FY 1978 to be used for academic year 1978-79 projects. Awards went to 29 institutions in 24 States and the District of Columbia. Support ranged from $29,000 to $56,000. $2.0 million was appropriated for FY 1979.

2. Repeal Title XI

The Proposal

Repeal Title XI, Law School Clinical Experience Programs, from the legislation.

Reasons for Recommendation

The "clinical experience" approach to training lawyers has been adequately demonstrated. It is not appropriate for the Federal government to provide support for a narrowly defined academic program, unless it is necessary to demonstrate its effectiveness.

Senator PELL. Thank you very much.

I think you have pretty well now achieved the objective we had of making higher education available to any person who has the capacity to absorb it and the desire to do so. It may not be at a very expensive higher education institution, but with the present grant and loan programs I think it can be worked out.

What I am concerned about is this: while we have achieved access we have lost a good deal in excellence. I have noticed—I am sure you are as aware of this as I am—that there is a growing inability of so many of our graduates to speak properly, to add properly, and to communicate properly.

I notice in your whole statement there is no emphasis on excellence. Your focus is essentially one of increased access. You can have access carried to a point where quality goes down and therefore access means very little.

If that happens you have a lot of college people with high expectations and an education that will not carry them anywhere near as far as their aspirations wish. I think this is very dangerous. It is similar to the situation in Germany prior to World War II. It is a situation that causes unrest in the Nation, for you find that many people possess a theoretical degree and are utterly incompetent.

I'm a little worried. In connection with title III, developing institutions, what I see with the decline of the baby-boom curve is the need for more institutions to be closed, not opened. There will be smaller student bodies. I'm not sure that I agree with you on title III. However, I assure you we will have a very fair hearing on all viewpoints and on your proposal. We have introduced at your request your bill. We have introduced at Congressman Ford's request the House bill and we have introduced a straight 5-year extension of existing law.

As a general rule, I am one of those who believe in straight extensions because as years go on the legislation that is in place becomes better and better as the kinks are worked out. When we make major changes, everything gets unsettled. I would be interested if you would explain to me in simple terms what you are trying to do with the loan programs. You claim you are knocking out the present loan programs, but what are you putting in instead, one, two, three, or four new programs?

Dr. BERRY. I will explain that and then if you will, I will explain the improvement in quality.

Senator **Pell**. There is no word about quality or excellence in your whole statement and that in my opinion, at this point is more important to the Nation than access.

Dr. **Berry**. Perhaps in terms of priorities I should answer that and then describe simply the loan programs, if you do not mind.

We do emphasize quality in our proposal. We have several items. The first is that because so many of low-income students who receive Federal student financial aid do indeed go to the developing institutions and community colleges, we propose to strengthen and increase funding in title III which can be used for curricula and teachers——

Senator **Pell**. Excuse me.

You would agree that some colleges will have to be closed over the next few years. Which colleges do you think will be closed?

Dr. **Berry**. While I might agree that some will close and will more likely close, I think that will be determined by the fact that the students do not attend them. I would hate to point my finger at some particular institution.

The second part of the administration's proposals relating to quality is our proposal to provide funds for research facilities. We have a proposal to assist research institutions improve their research facilities.

The other quality initiative has to do with international education to which we think not enough education has been aimed.

The fourth thing we have done to insure the quality of the available education is to put some standards in for the student aid programs in terms of academic progress and the—like for institutions which will have to be followed. Those are all in the statement and I did not mention them all, though they are in my written statement.

Senator **Pell**. When you say standard, I think that is a good idea, that the students will have to maintain decent grades in order to receive the funds.

Dr. **Berry**. If they do not do well in at least 50 percent. of the courses they——

Senator **Pell**. Why should it not be 100 percent of their courses?

Dr. **Berry**. That is a good point.

Senator **Pell**. What you are saying is exactly what is wrong. You have people graduating 50 percent successful, and with the idea that this little college degree is the door to Utopia which you and I know is not so.

Dr. **Berry**. I understand.

On the loan programs, quite simply what we proposed to do is get rid of the national direct student program, to eliminate it because the interest rate is too low. It is 3 percent. It is too low and costly.

Senator **Pell**. It used to be a good rate.

Dr. **Berry**. It no longer relates to current economic conditions or other available Federal student assistance. It is rather costly.

The second thing we decided to do was set up a guaranteed student loan association within the Department of Education with a person reporting to the Secretary and not an outside profitmaking enterprise.

Senator **Pell**. What would be the acronym for this?

Dr. **Berry**. We came up with GSLA.

We raised the interest rate to 7 percent, which we do not think is exhorbitant, and will maintain costs at a reasonable level, and, unlike the other NDSL, where collections are made by people on campus and later they are turned over to us if there is a default, and we would collect this in the first place, and the loan would be available on the campus to take care of all needs that all students have after the BEOG process and after the self-help requirement which we think is a very important part, $700.

That is the first thing we do, restructure the NDSL.

The second thing we do is to simply get rid of—restructure the guaranteed student loan program, restructure it because we are not proposing to get rid of State agencies that have been set up or operating for management purposes. We are proposing in the first place to raise the interest rate from 7 percent to T-bill rate plus 1, and we are calling this a supplemental loan program.

The second thing we do is to pay the banks and the lender a standard 2.5 allowance rate instead of having to go and do it as today, continue to have the State agencies administer it but the Government will act as the lender of last resort because right now there are a number of students that cannot get guaranteed student loans from banks. Now they would be able to obtain them and if not, then the Federal Government would come through. That is a substantial improvement over the current system. The interest rate is higher in any supplemental because it is a loan of convenience. It would replace the family contribution, or the work study or the self-help, or whatever else the student did not want to do. That is what we are proposing and bring it within the Department of Education and not as an outside agency.

Senator **Pell**. I have a better mind when things are written down and I look forward to seeing the structure of this when it is in table form and then figuring out what the cost is. You say the cost to the Treasury would be about the same?

Dr. **Berry**. At first, we think the cost will be about the same. In time, it will be less. As we phase out the national direct student loan program and restructure GSL that in time——

Senator **Pell**. I have a table of all of the different loans and requirements, seven different loan programs now, and I must say, if your proposal is inacted, you reduce that total to six?

Dr. **Berry**. We would replace NDSL with an expanded basic loan program.

Senator **Pell**. You are going from seven programs to six. The national direct student loan, the guaranteed student loan, the HEAL loan, the health professional student loan, the basic student loan, the law enforcement loans, veterans assistance, education assistance loan.

Dr. **Berry**. The non-HEW loans, we are not touching them. We are just——

Senator **Pell**. But the poor kid is still involved with all of these different programs.

I have occupied too much time.

Senator **Stafford**. Thank you very much, Mr. Chairman. I think I am going to have more questions in detail as we go along, Dr. Berry, but one or two come to me right now.

One is with the 7-percent-interest rate that you mentioned would that accrue from the beginning of the loan or after education?

Dr. **BERRY**. It would be forgiven for undergraduates and deferred for graduate students until after they graduate, plus the grace period which is 4 months after that.

Senator **STAFFORD**. Under your proposal would you expect that the repayment rate would be improved over that which we have experienced in the past?

Dr. **BERRY**. We expect a substantial reduction because the collections would be made directly by the new agency and not by the individual colleges.

Second, by starting the grace period at 4 months instead of 9 months—our experience with lenders indicate that the sooner the person begins repayment, the more likely they are to pay the loan back.

So we expect that.

Senator Stafford. Thank you very much.

I think these are all the questions I have.

Senator **PELL**. I was looking at the table and I think I misread. What you are doing is going from seven programs to seven programs. The national direct student loan program will become the basic program and the guaranteed student loan program will become the supplemental program.

Isn't that correct?

Dr. **BERRY**. The GSL will be called the supplemental loan program. The national direct student loan program will be called the basic loan program, and the idea is over time to try to incorporate all of the other things that you have listed into the Government Student Loan Association, if we create it as an entity so there would be just one place.

Senator **PELL**. Now, to get through my dense head, what is the difference between the NDSL and your basic loan program?

Dr. **BERRY**. NDSL interest rate is 3 percent. Ours would be 7 percent.

NDSL collections are first made on the campus. The campuses are required to collect or engage in due diligence to collect the loans. Later on, if they can't, they can turn them over to us. Collections would be made from the first instance by the Government Student Loan Association and not by the campus.

All the campus would do is have the money available. No contribution would be required or capital. Right now, they must contribute about one-ninth of what is made available in the funds. A lot of institutions don't participate because of that. It would take care of all of the need a student had once you had a BEOG award, the $700 requirement and any other money that was around.

Senator **PELL**. And the GSL and the supplemental?

Dr. **BERRY**. One difference is the interest rate would be higher on the supplemental.

Senator **PELL**. It is now 7 percent?

Dr. **BERRY**. It would be T-bill plus one. The other major difference would be it would be operated by this new agency. But the State agency would still play a role. Unlike the situation now if a student could not obtain a loan from the lender, the Government Student Loan Association would be a lender of last resort and would, in fact, make sure that a loan was available if a student had no relationship with the lender.

Senator PELL. Thank you.

I look forward to discussing this proposal. I think the existing programs are working well, and that is why I am a little leary of changing something that is working very well. It takes a year or two to understand any changes, and a lot of youngsters get lost in the cracks.

Now, I have a few specific questions.

First is on a totally different subject. I am very interested in the Institute of Museum Services. As I understand it, this is one of the many programs to be transferred to the new Department of Education—where the privilege will remain with the new Secretary to wipe it out.

Is there any intention of this program being wiped out?

Dr. BERRY. No.

Senator PELL. So this is a straw man, the article in the Evening Star with the headline "Museum Institute Fights For Its Life."

Dr. BERRY. I don't know—I am not aware of any effort on the part of anyone to wipe out the Institute for Museum Services.

Senator PELL. What was the reason for the provision that permitted 14 different programs to be wiped out at the discretion of the new Secretary?

Refresh my memory.

Dr. BERRY. As I understand it, the notion was to give the Secretary some flexibility in terms of reorganization of the current Education Division structure within the Department, and calling the officers by different names. In cases of units that are already in existence, we would consult—this committee and the House Education and Labor Committee, which has the responsibility for education, would be advised of any changes that were about to be made, if there were any.

Senator PELL. Then I can assume as the father of this legislation that it is not fighting for its life. Its life in your mind is absolutely solid.

Dr. BERRY. As long as I am alive it is alive.

Senator PELL. Thank you very much indeed.

That reassures me. That headline worried me.

Dr. BERRY. Senator Pell, may I please comment on the last point that you made about the loan program and the reluctance that all of us have in changing something that works pretty well. Our major concern in this whole thing is the cost and accessibility to loans.

The higher education budget is rapidly achieving 50 percent of the money we have to spend on education within HEW. So, when one balances priorities between elementary, secondary education, things like the Institute for Museum Services, and you look at the amounts we are spending for GSL, and that these costs are essentially uncontrollable, it is rather frightening.

We try to serve the elementary and secondary students as well as those in higher education.

Senator PELL. I am aware of the amounts and the percentages.

Senator Eagleton has been conducting an excellent series of hearings on basic educational skills. He is going after this program very hard. We had a hearing in my own State 2 days ago. I am very concerned, as I say, that we are opening up access in higher education to young people who still have not mastered the basics.

I do not want to see the amount of money going to higher education expanding until we make sure that the product of our efforts is able to handle all of the educational skills it can. That means in my mind not doing well in 50 percent of the courses. I think a youngster ought to be getting passing grades 100 percent of the time. However, I understand there are problems. But certainly, a young student should pass three out of the four courses. If the youngster is only doing half well, that is a great big red flag that that child should not be there. If you have a child flunking half of his or her courses, it might be best that you say to the child go off and join the Navy and then come back and try college.

I think my own recommendation would be to increase that right now to 75 percent. What would be your reaction?

Dr. **Berry**. Mr reaction would be dictated by what OMB told me to say.

Senator **Pell**. It would save OMB money. In this case OMB would probably say yes.

Most of your legislative proposals have a "such sums" provision. That is a little bit of a red flag to the authorizing committees.

Why do you not recommend specific authorization?

Dr. **Berry**. That is a budgetary decision and the Office of Management and Budget prefers to go with "such sums," and then to decide on specific amounts in the President's budget each year.

The other one is political, partly a political reason, to have authorizations that are available, and on the books and that are not funded or at the maximum levels as sort of a red flag; $500 million and your budget is $50 million, so I think it is important to avoid that.

Senator **Pell**. We in Congress, in our wisdom, or lack of wisdom, will hopefully put those specifics in.

I do notice that in title III you do have a specific authorization level. That is the one program that to my mind might well be dropped. Why is that the one program that is specific?

Dr. **Berry**. Frankly, there was a lot of concern in some sectors of higher education communities about a particular set-aside that they have in that program. The notion was—and it was specifically increased in that case—that we should indicate to community and junior colleges that they would have more dollars available even though we do not recommend increasing the set-aside.

Also, because there are tremendous pressures within that program to increase it. We have been recommending a budget at the authorization level for the last 3 years. There was no way to increase it. Because of all the pressures we want to have some flexibility to go that way. A "such sums" would solve that. But not the first problem of those with the set-aside that are concerned with more dollars for themselves.

Senator **Pell**. Why do you not recommend a specific target level for an increase in the maximum basic grant because, as I understand the administration's proposal, it seems to me you are leaving this proposal to the whims of the budget process rather than actually reflecting on what real college costs are?

Dr. **Berry**. The reason why we do not propose a higher level is simply because we did not want to increase the cost. That is a simple answer to that. The reason we did not propose specific levels is because we thought we had maximum flexibility if each year we set it in the appropriations process and that that made more logical sense and it can be administered more easily. That was a judgment call.

Senator **Pell**. Why do you eliminate the threshold for the appropriation level for the supplemental education opportunity grant, work study, and direct student loans?

Aren't the existing levels essential?

Dr. **Berry**. Because we do not want to be, quite simply, put in the position of having to recommend a budget request at a certain level to trigger a certain funding that we might in a given year have which was administratively within the program of the precedent. It was to preserve our executive responsibility for making budget requests if at all possible.

It is our attempt to do that.

Senator **Pell**. Going back to the discussion of the excellence, I am concerned about the administration's proposals to remove the requirement of accreditation for institutions to be eligible for financial aid programs. As you know, State licensing procedures vary widely. We went through this in our hearings several years ago when we saw that some of the least responsible colleges were having 50 percent default rate in their student repayment. I would have thought that the administration's proposal would have gone in the opposite direction for tighter accreditation rather than knocking out the requirement.

Why did you go in the direction you did?

Dr. **Berry**. Many of the institutions that had high default rates lately and that have been having repayment agreements with us have been accredited. We looked at the institutions and discovered we had a problem. It is accredited and it is not any guarantee of their ability to manage funds. Many people in the public believe and have said to us that when an institution is accredited and we accept that and we are putting a stamp of approval on that institution and saying that everything is fine with it managerially and academically—I don't think we are saying that. The accreditation standards that are established by the regional associations do not include or look very carefully into financial management in the way we require and as the Congress has required in the student aid legislation.

We have a program review. We have to look specifically at how they are handling those funds. That would continue and in fact be tightened. So we don't believe that accreditation told us what we need to know.

We also believe that institutions will continue to be accredited and seek accreditation whether or not we have a proposal linking eligibility for Federal funds because the reasons for doing that are unrelated. We face increased pressure to require those institutions to eliminate fraud and abuse.

Senator **Pell**. Senator Stafford?

Senator **Stafford**. Mr. Chairman, if I understand the Secretary, she is telling us, and I would like to be corrected, that an institution which has good financial management but absolutely deplorable academic records still could be in this program.

Dr. **Berry**. If it were licensed to operate in a State.

What we would be doing is placing the burden on the State which is where we think it ought to be, on the State, because people now think that when we say it is accredited, that it is fine academically. We can't mean that. We don't intrude to find out ourselves if they are very good. Just look at the list. We would be saying, look to your State and your State's accreditation lists will still be available, but we will not be saying that by virtue of that accreditation that institution is marvelous. We have found the opposite of what your question implies. We have institutions that are accredited that have absolutely rotten fiscal management and have abused Federal funds and we are going after them on program abuse.

That disturbs us very much.

Senator **Pell**. Thank you very much for clarifying the question.

As a general rule we could agree that accreditation, while not being a sure filter, is something of a filter, a first-stage filter, to get responsible and adequate institutions into the program.

But as I understand, you currently could have a 4-year bachelor degree in cosmetology, eye, hair, and makeup, all that sort of thing. That would be accredited, even though it should not be a 4-year course.

Dr. **Berry**. That is right.

Even though the—the way the law is currently written—as long as an accreditation agency that is nationally recognized tells us that institution is accredited we have to put them on the list.

So the legislation obviously needs some work. Whether it is our proposal or some other proposal, it needs work.

Senator **Pell**. Speaking for the committee, at least one member of it, I would like to see a tightening up. How it is done remains to be seen.

You recommend a payment of $10 for each student aid recipient, to cover the institution's administrative costs.

How does this figure compare with the allowances institutions currently receive under the college based program?

Dr. **Berry**. They will get about the same amount or perhaps slightly more. But the idea is there is more flexibility in the use of the funds than the amount they get now. The amount they get now, which is associated with the campus-based programs, are used for specific purposes. They could use the $10 to help them fund financial aid offices depending on local need. It is an insured allowance because it is assured each time for each student aid recipient.

Senator **Pell**. In the early days of basic grants, social security payments were counted against the amount of a student's grant This was changed because of the extreme inequity this caused some of our neediest families. Now we are going in the reverse direction. It is like the old pendulum. Doesn't your proposal to deduct half of a student's social security benefits put us back in that situation where our poorest students will have their grants artificially reduced?

Is this going against the direction we swung out to before?

Dr. **BERRY**. We found that under the direction that currently exists many of the students receiving VA benefits and because of social security benefits added to the basic grant, were getting more than the cost of their education. When you added the tuition and the books, the fees they were getting were more. We didn't think that made any sense.

We also think that with the various programs, the basic loan guaranteed at the campus to take care of any need that remained, the SEG and the BEOG, that we have enough money available to take care of that.

It was swinging the pendulum in that people were receiving more than the actual cost of their education.

Senator **PELL**. Having headed this subcommittee as chairman for 10 years, this is about the only instance where you see it swing back. I congratulate you on the other administration proposals.

Doesn't your SSIG proposal change the format, in essence, penalizing those States with long-established and sizable grant programs?

Dr. **BERRY**. I would not like to use the word "penalize," if I can avoid it. What it does, it introduces a sound principle which is that we would like more dollars in State funds than there are now and not any new dollars that a State puts in. It helps the new States to match dollar for dollar.

We would expect the old States to continue them at current levels despite the fact that we request a declining rate. The reason was to keep classes down and to get more new dollars into the program.

Senator **PELL**. I notice that the administration recommends a $700 self-help contribution from every youngster before he's eligible to apply for assistance. I think the idea of some self-help contribution is necessary. I am wondering if that is not a high contribution at this time of high youth unemployment. Won't this strike hardest at the inert city youngsters, black youngsters with the highest unemployment rates?

What is our present self-help?

Dr. **BERRY**. There is none.

Senator **PELL**. $700 is a little high.

Dr. **BERRY**. You raise the very question I raised when someone brought this proposal first to me. My response is that we think that work is good for people and that they ought to work and that self-help is absolutely necessary. There are a number of ways to satisfy the requirement.

One is that it can be waived, of course, under unusual circumstances. If the student aid officer sitting on the campus who has the money decides to, he can waive this, he can look at the student and look at the local circumstances, and that student aid officer can say, this ought to be waived in this case, and we will go with that on the basic loan.

That is in our proposal.

The other thing is, when it is not waived it can be handled through college work study or it can be handled by getting a supplemental loan. In the circumstances you describe we believe it could be waived, and there are provisions to have it waived by the student aid officer because of those circumstances.

Senator **Pell**. Thank you.

What would be the cost of the House bill, H.R. 5192, compared to what is the cost of the existing law?

Dr. **Berry**. We can't say exactly what the cost of the House bill would be. We did some estimates on the BEOG changes and we came up with $2 billion more than what we were asking for in our proposal. That was primarily due to the fact that they raised the maximum award on the BEOG's every year, year by year. They also first decided they would change the intention to use the Bureau of Labor Statistics standard for poverty and not the Social Security. That was changed back.

So it is $3 billion more than what we are proposing.

We don't know what the cost would be under the loan program. It is hard to figure out. Under GSL it is almost in the nature of an entitlement. But about $3 billion more, at least.

Senator **Pell**. Thank you.

You do not mention the National Institute of Education in your testimony. What are your views on that and when will the administration have some recommendations concerning it?

Dr. **Berry**. I think that I did quickly in passing mention the fact that we wanted NIE to continue its strong role as part of our quality proposal, doing the research that would improve the quality. It has an automatic extension for a year and we will have a proposal on NIE in the next few weeks.

But I did mention it in passing.

Senator **Pell**. I differ with you about continuing the strong role it occupies.

We hope it would occupy a strong role.

Dr. **Berry**. We will have to strengthen it, then, Mr. Chairman.

Senator **Pell**. Why do you recommend repealing public service and mining fellowship and the law school clinical experience program which are useful in these times?

The latter is just now getting started.

Dr. **Berry**. On the law school clinical program, our understanding was that that was a one-time-only or a short-time demonstration in order to illustrate the effectiveness of having law school experimental programs. We think that that can be adequately demonstrated and it is clear that these schools that want them can operate them. There is a wide difference of opinion in the field about the efficacy of law school clinics.

Some of the deans of the law school disagree. But we think they could be demonstrated effectively, and we don't need to demonstrate anymore that the law school clinical experience makes sense. That is why we have not proposed anything.

Senator **Pell**. Thank you very much.

Dr. **Berry**. I didn't finish the answer on public service and mining fellowships.

We did not propose to authorize that because under the graduate program in title IX and the authority that is already there, if mining and public service are seen to be national need and are determined to be, we could have some fellowships under the program without having a separate line item appropriation. That is the only reason we proposed it that way.

Senator **Pell**. I thank you very much.

In the 10 years I have been chairing these hearings, I have seen no other witness come forward from the administration with more backup and support than you, and you really have a mastery of the bill.

As we study it and begin to comprehend it better we look forward to engaging in a dialog with you.

I think my personal view is shown by the tenor of my remarks at the beginning. I hope we get out of this hearing process and out of the conference with the House with a bill with not too much changes so that we don't upset the programs that are doing well. However, I hope we can patch up some of the cracks that people are falling through at this point.

Thank you very much, Madam Secretary. Maybe you will be Madam Secretary, which would delight me.

Thank you.

The subcommittee will recess for 15 minutes while we await Father Healy, who will be with us at that time.

We will reconvene at half past 11.

[A brief recess was taken.]

Senator **Pell**. The meeting of the Subcommittee on Education, Arts, and Humanities will resume.

I welcome Father Healy, president of Georgetown University, my next door neighbor as well.

I am delighted that you are here.

Your statement will be inserted in total in the record.

STATEMENT OF FATHER TIMOTHY S. HEALY, S.J., PRESIDENT, GEORGETOWN UNIVERSITY, ACCOMPANIED BY J. W. PELTASON, PRESIDENT, AMERICAN COUNCIL ON EDUCATION, AND CHARLES B. SAUNDERS, JR.; VICE PRESIDENT FOR GOVERNMENT RELATIONS, ACE

Father **Healy**. Thank you very much for letting me testify on behalf of the ACE and for acknowledging the fact that I am surrounded by people that can help me out of some tight spots if I get myself into them.

It is nice to be back here because in this chamber the granddaddy of all of the legislation that we are talking about bringing up to date and continuing was started. We used to call them Pell grants. They have much fancier names now.

What I would like to do, is put our extensive written testimony into the record, and give a brief statement summarizing the very complex issues.

I am speaking on behalf of the American Council on Education and 14 other organizations which have been listed in full in my testimony.

Our statement represents a historic compromise in that this is something we are all together on.

Senator **Pell**. Isn't this unique?

Father **Healy**. This word "unique" always worried me. But I think this is.

Senator **Pell**. Do you, Charlie, remember?

Mr. **Saunders**. This has not happened before.

Father **Healy**. I think this program and Mother Nature we are, sir, agreed upon. Also, of course, I am vice president of the National Association of Independent Colleges and Universities. We are very pleased to be here together. We know that there are essentially two bills on the ground. With your own and not having had a chance to look at it——

Senator **Pell**. Ours is a simple extension. My general view is the less legislation the better for people get used to a program.

We are, however, open-minded to the changes you recommend, the House recommends, and the administration recommends.

Father **Healy**. We are conscious of the administration bill and the House bill, H.R. 5192, and we know they have much in common. But essentially these 15 organizations support the House bill, H.R. 5192.

I would like to go over the principal areas where we come together as one voice.

First of all, the basic grants insure we are on the most solid base for student aid, and we ask essentially that this base not be allowed to erode further.

In the last nine years the basic opportunity grants have gone up almost 30 percent and the consumer price index has risen by 90 percent. Whereas we spell out the full details in our statement, essentially what we are asking is to have a basic opportunity grant expanded over a three-step process.

Part of that request includes the historic half-cost limitation as it has come to be known and what we are asking here is essentially a compromise supported by all our groups. But the compromise is based on a full package, not just on this one items.

We are asking that the half cost limitation be modified in three stages corresponding to our three steps in the basic opportunity grant improvement.

All of those steps are worked out in the written statement.

An essential thrust in H.R. 5192 is the acknowledgment that what the Nation accepts as its purpose, its desire, its goal, is that counting all of the resources available to a student, particularly the public resources, that 75 percent of his tuition costs would be met by a combination of family income, basic opportunity grants and supplemental grants.

Getting this philosophical point in the legislation is, for some of our member organizations, extraordinarily important. We feel it does offer to all Americans a chance to get a university education in a reasonable manner where and how they can take it.

Both the administration's bill and the House bill increase the supplemental grants and extend the time that they are usable and eliminate the matching requirement. But the House bill looks to that 75-percent goal that we spoke of just now for all and thus raises the threshold funding level for SEOG's as basic grants are increased, and authorizes SEOG appropriations up to a total of $800 million by 1985. I should point out to you, sir, that this is really the heart of the compromise among the various groups that speak to you today, at least as far as the private institutions are concerned.

It is of single and momentous importance to private higher education.

The other details in the supplemental grants are included in our testimony. I would like to pluck one of them out.

That is a question of the difference in the law as it now stands between the initial funding and continuing grants. We in the 4-year colleges, both public and private, feel that this is a very important distinction and we would like to see it held until further study, until we can get some kind of measure of the impact that putting the entire supplemental grant package onto the national grant basis would, have on 4-year colleges.

The third classic part of the student aid package is the State student incentive grant. This has been a modest and successful program and the House bill looks to strengthen it in several ways. These are spelled out in the testimony.

Essentially, they reduce themselves to two purposes: That what all of us want to do is not to penalize the State which has been generous in the allocation afforded to students and at the same time not lose our capacity to encourage States that have been slow in the help they have given.

Passing to the student loan program, the bill that the administration has proposed would call for substantial changes. The higher education community feels that the national direct student loans and the guaranteed student loans, while not perfect, have served well and should not be changed except incrementally.

We propose a national commission on student financial assistance and ask it report to the Congress by July of 1983, and it would be in a better position then to spell out the basic changes that could and perhaps should be made in the loan programs.

But at the moment, we feel that changing structurally is premature and could have unforeseen and unfortunate effects. In the House bill there are many good things and I have detailed them in the testimony.

But in summary, they increase levels for GSL, adds authority for parent loans, strengthen Sallie Mae and especially hold the interest rate down to 3 rather than 7 percent, which the administration bill asks for.

The problem is, Senator, that expanding or raising the limit on the interest rate is in direct proportion to the amount of money you raise. It is an enormous encouragement to youngsters who come from poor families to continue especially into graduate schools and into advanced training. By the time a boy or girl has gone through college, having had to borrow substantially through 4 undergraduate years and then takes professional training at an enormous expense and indebtedness, there is really a chilling effect that is bound to limit the access of minority group members to the higher levels of our professional and graduate schools and, second, in other ways I think you limit the access of women.

As to those parts of the legislation that look to institutional eligibility, we are in a set of fine lines since all of us in higher education acknowledge that we have to protect the Government's interest and accountability on our part.

The difficulty is that in many parts of the administration's bill it looks as though what is a reporting machinery could become a curriculum mechanism. That has a lot of us worried.

The second point is the question of eligibility and accreditation which is also a thorny and difficult area for the colleges and universities. There does not seem to be any kind of significant support in the higher education community for the administration's proposal.

We urge not that it be dropped but that further study and hearings be held on it so we can understand precisely what it means. Like all college and university presidents, I feel I am being nibbled away by various accreditation bodies, each looking to its own good and not looking to the good of the whole. But I am not sure that sudden change, particularly sudden and drastic changes, would be more of a help than a harm.

We would vigorously oppose the administration's proposal that only the neediest libraries receive any kind of assistance. The library is the heart and soul of any higher education institution.

It is of classic importance. It is difficult for us to say how strongly all of us feel, particularly those of us involved in graduate and professional work but also everyone involved in undergraduate education. No part of the university mix is hurting more. In no place has the whip been felt more with the one exception of energy and any Federal help that we can get ought to be given to the whole system.

For that reason we support the creation of a national periodical center, which would attack a key and highly expensive area of library costs.

We fully support the administration and the House bill in their effort to aid developing colleges. Here again is the question of quality and mainstreaming, particularly the minority populations.

The job done by the developing colleges, those colleges which look principally to minority students, is mammoth and classic and this Nation cannot afford to do without it.

Finally, I wear a double hat. We support both bills on international studies. I have been participating in the President's Commission, which, at the moment, is in the final throes of preparing its report and it will address with vigor and solid rhetoric our Nation's illiteracy in a multitude of foreign languages.

We propose greater access to graduate education. There is a growing problem and a serious problem in that the system as now structured provides so little assistance in meeting the high costs of graduate and professional study that here again there is a chilling effect on the access of both women and minority group members.

Two final items on the bill: All of us support the proposed authority to make further grants to help us renew our physical plant and keep us good users. I think that really higher education, with its total lack of depreciation accounting deserves a kind of thanks from the Nation in that a lot of our institutions could be described by the famous title, "These Ruins Are Inhabited."

I can take a homegrown example. In defiance of all laws of use of efficiency, we are still using part of a house which George Washington built in 1795. Having done that for all of these years, when we try to get it to work it leaks our precious fuel all over the landscape. A little Federal help would go a long way.

Senator **Pell**. My house was built in 1719.

Father **Healy**. Finally, we would all like to support the restructuring which occurs in the legislation for the urban grant university program, supporting the tremendous symbiotic work that the urban grant universities do on behalf of those cities.

193

I would like to point out that this is one city which is trying to do that.

We hope the extension of the Higher Education Act for 1985 is completed in time for the fiscal year 1981 appropriation process. Again, we would like to thank you for the major steps that the Congress is contemplating taking.

If we can come up with a compromise such as we have, we hope that the realization of this will increase the Congress chance of also making history.

Thank you.

Senator **Pell**. Thank you very much, indeed.

Probably you gentlemen were listening, when I was talking with the Assistant Secretary, Dr. Berry. I find a certain concern on my part with this question about lack of excellence. We are now doing pretty well in the access area, and we now have good access to a liberal education.

I agree with you, graduate education is a real problem. But any youngster who really wants to get a college degree and really has the moxy to do it and the tenacity to do it, the ability to absorb it, provided they are not insisting on a Georgetown University degree, but a degree, can get that degree. What this means is that more and more people are emerging into the world with college educations. These young people have very high aspirations. I have interviewed many, many young people who have that AB and they feel they should be getting a start. But that AB does not put them on the rung to a job.

I am wondering if we are not doing more harm sometimes by introducing this large group of ill-prepared college graduates. As I say, I am reminded of Germany before the Second World War where there was a large group of people with high expectations, good educations, and no jobs. I was just curious what your reaction was concerning whether we shouldn't start concentrating on excellence as opposed to access.

Father **Healy**. I think the quality question is always a problem. It is particularly a wrestle for the one nation on the face of the Earth which has tried to talk about generalized access. Our models in quality analysis tend to be nations which have not have extended the educational franchise nearly as largely as we have. We are engaged on wholly new ground. There is no question that at times there has been an exaggeration. There is no question that colleges are seriously at fault in trying to market their wares on the notion that they are immediately marketable.

The fact that you do have a degree does not translate into the thousands of dollars that you would make in the market. That has been a lie that higher education has in some cases fostered and in other cases put up with and which we can no longer tolerate. I have been struck by one hard marketplace fact. One of our most powerful sister states having to remake, for accidental or crazy reasons, its scientific establishment, and having the entire world to shop for, has, with absolutely no hesitation, entrusted the remaking of that to the higher education institutions of the United States. I am referring to the Chinese.

It is really an extraordinarily national tribute to the skill and competence of top level people in what this Nation is able to do in science, mathematics, and higher technology, that an enormous nation, when it comes to picking colleges, hands over to us, lock, stock, and barrel, the summation of their entire scientific community for the next 30 to 50 years because it is perfectly clear that this is the range of young people who we are now training.

That is a tribute that we can all too easily forget because we sit inside the tapestry and don't see what it looks like from the outside.

The great thrust is the design of graduate studies and the fact that we are getting fewer and fewer of our best minds pulled into this profession because it does need a critical mass in order to achieve this kind of excellence.

There are fewer faculty jobs to fill. This is a basic threat to the quality of the entire enterprise.

Mr. **Peltason**. If I may add a word.

I think it is perhaps wrong to ever argue that a degree, a college degree, is sufficient. In fact, it is not even essential. But certainly the absence of a degree is a handicap, especially to the poor and to the minorities. Many people tell me too many people are going to college, but when I ask if their sons and daughters ought to be able to go to college they have those aspirations.

I think there is still a feeling in the United States that although a college degree is not a guarantee of riches or even happiness, it is one of the most desired goods that people want for their children.

As to the quality question, I fully agree with you that we need to continue to give attention—I think we always have. I only warn of the danger of our trying to define quality in any one mode. One of the problems is that that definition is going to be made by 3,000 different faculties. There are different ways to approach that question.

Too often we tend to think of quality education as teaching the already bright and already academically prepared. But the real challenge is to take those who have suffered economic deprivation or racial discrimination and give them a high quality education. I think we have to be careful that we don't try to prescribe from a national forum what that is.

The greatest safeguard in the United States is that those decisions are being made at 3,000 different places.

Senator **Pell**. Thank you very much.

Senator Stafford?

Senator **Stafford**. Thank you very much.

This may be in a little different area but I would like to ask both Father Healy and Mr. Peltason if they would respond, if they care to, to this question: Do either of you have any perspectives for our contemplation with regard to the wisdom of moving NDEA, title VI, into the Higher Education Act?

Mr. **Peltason**. I think there are, like everything, some advantages and disadvantages. I don't want to make a firm decision. I speak only for myself in this. I have not had a chance to talk to my colleagues.

I think it would be advantageous if we could do it right. I think the closer we can integrate our concerns with matters internationally, with the general concerns, both at the national level, at the campus, and at the national association level, the more likely it is to get attention. What we want is to get the attention of the academic community by bringing it into the mainstream of higher education. The risk is that it gets overlooked because of the larger number of dollars in other titles. But on balance, I think it is a good idea.

Father **Healy**. With the President's Commission, and I have only seen the first draft of the final report, one of the complaints all the way through our hearings nationwide is that no one is responsible. We recognize the difficulty of having it locked in the larger multimillion dollar appropriation that would surround it and have recommended a private citizens' commission not government supported. The last time I saw the draft it recommended the relocation.

Senator **Stafford**. Thank you both very much.

Thank you, Mr. Chairman.

Senator **Pell**. Several years ago I sponsored the Emergency Education Assistance Act, otherwise known as the school energy bill. This is the largest single conservation measure that is going on in the Federal Government, to help schools and colleges and hospitals to conserve energy. It was developed to help public institutions and nonpublic institutions.

I was curious if it has had any impact and if it had what was the impact for colleges?

You spoke for Georgetown specifically and where you thought it might be improved.

Father Healy. We have had several Federal grants for energy. I cannot right at this moment unscramble them except that I know, like most colleges, we reduced energy on three campuses over 30 percent and have watched energy costs go up 400 percent in the same 5-year period.

The exact dollar amount outside the gross amount I cannot unscramble for you.

Senator **Pell**. You might want to supplement this in the record. But I had understood one of the problems you were facing was getting the money out of the Department of Energy.

Father Healy. I don't think that much has showed.

Mr. **Saunders**. I know the Department of Energy has not begun to fund project grants under the act. As you say, the purpose of that legislation is broad. Those energy grants are shared not only with higher education but elementary and secondary schools and hospitals. There are very large needs for addressing the energy problems at the postsecondary level and for that reason we feel it is very important to fund the authority already on the books in title VII to help the postsecondary community.

Senator **Pell**. The money is not the problem, but the problem is the inertia of the bureaucracy to spend this money.

Mr. **Saunders**. There has been money appropriated but not spent.

Senator **Pell**. You can be sure I will follow through on it because it is the largest conservation program in place at this time. I need help in trying to wrench it out. Maybe you can help me in this regard.

What percentage of your budget is now going for energy related costs?

I would direct this to Father Healy, who has a specific institution in mind.

You can submit it for the record.

Father **Healy**. I cannot do that now. I am afraid if I get it wrong, they will tell me back home. At Georgetown University, $3.451 million was spent last year on energy; this is 3.6 percent of the institution's educational and general budget.

Senator **Pell**. And break it down, the percentage for heating and the percentage for cooling.

[Note.—No breakdown available.]

Mr. **Peltason**. Generally speaking, across the Nation, the cost of energy has been one of the largest single factors contributing to the financial distress of American colleges and universities.

They have done a magnificent job. They have cut out lights overhead. They have readjusted the academic calendar. But that item is one of the most difficult ones for them to manage.

Senator **Pell**. I agree it is difficult, but I am interested in the percentages. Maybe you could submit that for the record on a national level.

[The information follows:]

Nationally, colleges and universities are spending 3 to 6 percent of their total budgets on energy, up from an average 2.7 percent in 1972-73. Higher education's total cost of energy is estimated at $1.7 billion for 1978-79.

Father **Healy**. The two runaway items are fuel and books. Books are every bit as difficult. The purchase of a hardcover book is every bit as bad as energy. The pressures are driving librarians wild.

Senator **Pell**. I have seen the price of those books go soaring in the last few years.

You do not mention the NIE, the National Institute of Education, in your testimony.

Is that intentional, do you have any comment or do you think it has done a zero job?

Father **Healy**. I left out about three-quarters of what is in the statement. I was trying to hit the highlights. For the ACE, I think Charlie can speak to that.

Senator **Pell**. I don't think it is in the full statement.

Mr. **Saunders**. We don't mention it. We have yet to get the administration's proposal. I would say the higher education community shares the concern you expressed earlier this morning about the inability of NIE to address the problem of higher education and there is a general feeling in the community that NIE has not addressed those problems sufficiently.

Senator **Pell**. Has it addressed it at all?

Mr. **Saunders**. Yes, it has, but very much of the total funding that NIE has put into higher education has been for a number of continuing projects which were ongoing before NIE was established. There has been very little new money, although we met with Pat Graham before she left the directorship last spring and expressed our concerns to her, and she gave us information that NIE was stepping up its emphasis on research and higher education and I believe her figures are that NIE was spending about 26 or 27 percent of its budget in areas it considered problems of higher education.

This represented a substantial increase over 3 or 4 years ago. We thought this was encouraging but we still feel NIE has not dealt with some of the problems it can.

Mr. **Peltason**. We feel it is moving in the right direction.

Senator **Pell**. From here to there.

Have you been able to make a cost estimate of the proposal to remove the half cost limitation in the basic grant program?

What will be the cost of that?

Mr. **Saunders**. Mr. Chairman, the provisions of the House bill do not remove, they modify the half cost limitation. Our estimates are that that element of the total cost is in the neighborhood of $200 million. The major cost is in the increase in the basic grant maximum. I think going to the $2,160 basic grant and 60 percent cost limitation would cost an additional $900 million, of which approximately $200 million would be attributed to the modification of half cost. Thereafter, the further increases in basic grants would not add much to the total cost of the bill, only in the neighborhood of $100 million or between $100 and $200 million overall because of the annual fallout from the program.

Under the present program about 200,000 students become ineligible every year as family incomes edge up over the level of eligibility now established. Because of that attrition factor, the out costs of increases in the basic grants would not be very substantial once you made that initial jump.

Senator **Pell**. I am sure you are as concerned as I am about the nonrepayment of student loans and the rather large ripoff that is facing the American taxpayer. One simple approach to this problem is to require that default information be given to the credit card and credit rating agencies. This would automatically filter out those youngsters who are not in a position to repay, because if they can't pay their loans they should not be getting credit cards.

But on the other hand if a man or woman is to get a new car, a new refrigerator, new this or that, or even a very expensive meal, they ought to start thinking about repaying those student loans.

What do you think of this as a very simple approach to the problem of loan defaults.

Mr. **Saunders**. I would say that the House bill moves in this direction with the authority it provides for skip tracing and giving the Commissioner the authority to exchange information with credit agencies and I think that would be possible under H.R. 5192. Also, another interesting thing we feel is very desirable, is the provision for a new parent loan program, to give parents an opportunity to borrow. Basically, it provides that the loan check goes directly to the institution and that is in direct response to the criticism that has been made in recent months of the possibility that was opened to families taking advantage of the Middle-Income Student Assistance Act's removal of the income eligibility ceiling from the guaranteed loan program. So, a family would not be able to borrow from this program at low interest and take advantage in that way. The money under the parent loan program would go directly to the institution.

Senator **Pell**. You do not mention the teaching corps in your remarks. Is there any reason for that?

Mr. **Saunders**. In our testimony, we endorse very strongly the restructuring of teacher centers with H.R. 5192——

Senator **Pell**. But that is not the teacher corps.

Mr. **Saunders**. Part of title V under both the administration's bill and H.R. 5192 would stimulate closer cooperation between institutions of higher education and elementary and secondary schools.

Senator **Pell**. I am talking about the specific teacher corps program.

Mr. **Saunders**. We are supporting the amendments made in the teacher corps program by the administration and the House bill. We also indicate our support for the provisions of title V in that bill which embodies Senator Williams' bill, the Schools of Education Assistance Act. We feel that is a very useful new authority.

Senator **Pell**. The question comes up of making facilities available to the handicapped. You have to balance the cost against the benefits. I recognize that you cannot spend $100,000 for one handicapped student to have a ramp. On the other hand, there has to be some way to make sure that the handicapped students do have access to higher education. What is being done in your institutions to help the handicapped and where are they getting the money to do this?

Father **Healy**. Our estimates are for one university, $2,300,000 of total cost of which we have already expended $600,000 and it is our money. There really is no resource or help forthcoming for this particular purpose. We rearranged class schedules rather than build elevators. But building ramps and changing switches and controls, and so forth, just over the one large university for 10,000 students, will be more than $2 million. At the moment this is something that the university has to pay for itself.

Mr. **Peltason**. Senator, there are a variety of problems in connection with the national commitment to make education available to the handicapped, and we have been working with other educational associations and with the Office of Education in trying to get information out to our colleges as to the most effective and efficient way to do that. We have had training sessions and manuals on how to make accommodations in academic programs, admission problems.

We are working on that. The areas where the institutions are in desperate need of help is in facilities. Father Healy mentioned that. You have whole buildings where changes have to be made. We are trying to avoid having to change them to come into compliance for one agency and then making them energy efficient and then changing them again to meet an OSHA requirement.

Therefore, we have asked for broad authority for Federal help. According to the educational associations, we believe it would take about $900 million to $1 billion for this requirement. The Office of Education or—one of the Federal agencies has made its own study and it came up with a figure of $560 million required to bring buildings on campus into compliance with the 504 requirements.

Senator **Pell**. Do you support the change in title III included in both the House and the administration bill, because this program provides for a large amount of institutional assistance yet these proposed changes focus on student body characteristics rather than institutional characteristics? I am wondering what your view is in this regard?

Mr. **Saunders**. I would say that we are in general support of the substantial increase in the programs recommended by the administration. I would have to say that there is disagreement within the community on the very point you mention, to what extent the criteria for eligibility for the program should include other institutional factors other than the number of basic grant recipients.

I would simply say there are different views on this and I understand those will be communicated to the committee in the hearings you will be having in the subsequent days.

Senator **Pell**. Thank you.

On a more philosophical question, as you know, with the baby boom curve going down it is probable that there will be a decline in the number of educational institutions. Where do you see, from the viewpoint of the national association, the decline in colleges occurring?

Mr. **Peltason**. I mentioned earlier, Senator, the great national asset that we have in the pluralistic diverse system. It is one of the greatest safeguards we have to quality. We have independent colleges and public colleges, different sources of funding, no one of them totally dependent. As we face the 1980's all colleges and universities will be in distress. The ones that we feel need special attention so we don't lose this diversity or——

Senator **Pell**. That is not my question.

My question is: Where will the impact fall?

As you and I both know, there will be fewer institutions of higher education 5 or 10 years from today.

Mr. **Peltason**. I thought I was being responsive.

I think the impact will fall everywhere. But the independent colleges without big endowments are in the greatest jeopardy. But all colleges and universities have difficulty because of inflation and increased costs of which declining enrollment is only one factor.

Father **Healy**. It is fairly clear in the cards that the impact of this will fall on private or independent colleges, rather than on State colleges. For that reason, this compromise position which was presented to you was difficult to reach precisely because of the empowerment that it can be seen to give very low priced community colleges in competition with private colleges.

What has bedeviled the private sector all along is that question of cost—I have never seen any evidence that it costs less to educate a student at Berkeley than at Harvard. It is true, Harvard cannot draw on the taxpayers of the State of California to pay for their costs. But the cost is roughly the same. We paid very richly to know this in medical education. We are not merely a $13,500-a-year school. We look at the very diverse forces of the States of New York, California, you name it.

We are a disenfranchised body in the District of Columbia. We like that extra $600 per student. But we are not able to charge $6,000 or $7,000. But clearly it puts a heavy squeeze on the entire system. The small independent colleges are most likely to go down and I think to the Nation's loss.

Senator **Pell**. As you know, there will be a White House Conference on Libraries this November to discuss the future role of the Federal Government in the whole library area.

Don't you think we should wait until that Conference is held and its recommendations made before we consider any new programs such as the National Periodical Center?

Mr. **Peltason**. I think the library costs are so urgent and the need is so evident that I can't believe that that Conference will do anything but reaffirm that. This national center has been developed after many hours and weeks of discussion by the most knowledgeable people we can find.

I think it is a very high priority.

Mr. **Saunders**. The proposal for a National Periodical Center has been discussed for some years with the community and I think there is a very broad consensus.

I will be glad to submit a list of 15 national organizations which endorse the National Periodical Center, library groups as well as education groups.

Father **Healy**. On this one issue, I think what the Congress has before it in this recommendation is the preview of the same voices that will be heard in the Conference.

[The prepared statement of Father Healy and additional information supplied for the record follows:]

TESTIMONY

to the

SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES

COMMITTEE ON LABOR AND HUMAN RESOURCES

UNITED STATES SENATE

October 2, 1979

by

American Association of Colleges for Teacher Education
American Association of Community and Junior Colleges
American Association of State Colleges and Universities
American Council on Education
Association of American Colleges
Association of American Universities
Association of Catholic Colleges and Universities
Committee of Urban Program Universities
Council of Graduate Schools in the United States
Natonal Association for Equal Opportunity in Higher Education
National Association of College and University Business Officers
National Association of Independent Colleges and Universities
National Association of State Universities and Land-Grant Colleges
National Association of Student Financial Aid Administrators
National University Extension Association

Presented by

Rev. Timothy S. Healy, S.J.
President
Georgetown University

Accompanied by

J.W. Peltason
President

and

Charles B. Saunders, Jr.
Vice President for Governmental Relations

American Council on Education

Mr. Chairman and Members of the Subcommittee,

As reauthorization hearings begin this morning, we are honored to appear before this Senate Subcommittee which has originated so much historic education legislation. On behalf of the American Council on Education and its member colleges and universities, and the other national associations joining in this testimony, we will summarize our views on the priorities and problems we hope you will deal with in reauthorizing the Higher Education Act.

All institutions of higher education face a difficult decade ahead. In a period of increasing fiscal stringencies and anticipated decline in traditional enrollments, they must expand educational opportunities for all citizens, seek new ways to serve the broader community, and strengthen their capacities to advance the frontiers of knowledge. Nevertheless we are confident that our national higher education system, with all of its diversity, will meet the challenge with appropriate support from the federal government, from state and local governments, and from the private sector.

We are hopeful that the legislation this Subcommittee reports will provide a sound basis for such support after consideration of the several bills already before you, the comprehensive bill reported by the House Committee on Education and Labor last week (H.R. 5192), and the Administration's proposals presented here today. H.R. 5192 is the result of extensive hearings and consultation with the higher education community, for which we are deeply appreciative.

In substance and detail we strongly support H.R. 5192, which differs significantly from the Administration bill. At the same time, both proposals have a great deal in common. Both call for:

—Expansion of federal grant assistance to a larger population of needy students, with a simplified administrative structure and a more equitable basis for determination of student need; as well as continuing emphasis on work-study and cooperative education.

—Strengthening of the loan programs to provide greater assurance of capital availability to close the gap between total student expenses and the combination of family contribution and grant assistance, including a new parent loan program to help finance family contributions, improved administration, and more flexible terms to encourage repayment and discourage defaults.

—Streamlined authority to address one of higher education's most serious problems of the 1980s: the renovation of academic facilities to make them more energy efficient, to improve access for the handicapped, and to meet federal, state and local requirements for health and safety—including new authority for the improvement of research facilities and equipment.

—New focus on the needs of nontraditional students, and new incentives for community service and institutional commitment to the solution of urban problems.

—Major expansion of assistance to developing institutions.

—Increased support for needy college libraries.

In addition, H.R. 5192 would provide important new assistance for less-than-half-time students, and direct attention to the special needs of graduate students.

In brief, a comprehensive response to the needs of higher education for the 1980s is embodied in both the House bill and the Administration's proposals. Since the Subcommittee will hold separate hearings on each of the principal areas of concern, we take this opportunity to offer an overview of the legislation from the standpoint of the national associations joining in this testimony.

1. Student Assistance: Grants

A. Basic Grants. As this Subcommittee charts the course of student aid in the years immediately ahead, it is vital to make certain that the Basic Grant program—which this Subcommittee originated as the foundation of all other grant assistance—does not suffer further erosion.

Although Congress increased the authorized maximum in 1976, this increase has not been sufficient to maintain the value of the award relative to inflation. While the BEOG maximum will have risen 29 percent between 1972 and 1981, the rise in the Consumer Price Index over the same period will be about 90 percent. Since college costs have been increasing only slightly less than the CPI, it is apparent that further action is needed to protect the value of the Basic Grant: using a conservative 7 percent inflation rate, we estimate that by 1985 the average total cost of attendance may approach $4,200 for public two-year colleges, $4,800 for public four-year colleges, and $8,700 for private four-year institutions.

Beyond sustaining the value of the award against future inflation, raising the BEOG maximum would increase grants to most current recipients, retain many recipients whose family incomes are at the margin of eligibility, and make additional students eligible who currently just miss qualifying for a minimum grant.

However, it is important to note that such an increase in the maximum grant would provide no additional help for a large group of the neediest students—some 800,000 students at low-priced institutions whose families have so little income they cannot make any contribution to meeting college costs—unless some modification is made in the Basic Grant half-cost limitation. For example, a student attending an institution costing $2,400 whose parents can contribute nothing currently receives a $1,200 Basic Grant. If the maximum were raised, that student's grant would not increase unless the cost increased, even though needy students with somewhat higher family incomes at the same institution would receive increased awards.

Although the half-cost limitation has divided the community in the past, the associations joining in this testimony (representing both the public and independent sectors) all support the compromise embodied in H.R. 5192: that the Basic Grant award be raised in three stages, accompanied by parallel modifications of the half-cost limitation. Thus, the authorized BEOG maximum would increase by 20 percent, from $1,800 to $2,160 for AY 81-82, and the percentage-of-cost limitation would also rise by 20 percent, from 50 to 60 percent of costs. For AY 83-84 the maximum authorized grant would rise to $2,400, the percentage-of-cost limitation to 67 percent, and for AY 85-86 the maximum authorized award would be set at $2,700 and the limitation at 75 percent of cost.

cost?

An equally important element of our consensus is the declaration of policy contained in H.R. 5192 that, just as students at lower-priced institutions are assured that Basic Grants in combination with family contribution eventually will meet 75 percent of their costs up to a maximum of $2,700, students at higher-priced institutions may have the opportunity to obtain 75 percent of their costs through a combination of family contributions, Basic Grants, and supplemental grant assistance.

All of the associations joining in this testimony believe that these changes, together with other changes which H.R. 5192 would make in the supplemental grant programs, would provide balanced growth in federal assistance for needy students in both the public and independent sectors. To make one set of changes without the others would tip the balance of grant assistance in favor of students in one sector at the expense of students in the other, and such circumstances could undermine the strong but delicate consensus which we have just expressed. Therefore, we strongly support H.R. 5192 in preference to the Administration bill which would authorize increases in the BEOG maximum without specifying any target levels, make no change in the half-cost limitation, and none of the other important changes in the supplemental grant programs which balance and complement the expansion of BEOG benefits.

We also support a number of other changes H.R. 5192 would make in the Basic Grant program. Some of these changes—such as extending grant eligibility to five years, increasing allowances for room and board costs and for books and supplies, and improved benefits for independent students with dependents—are also contained in the Administration's bill. However, we oppose the Administration provisions which would change the treatment of social security and veterans educational benefits, revise the definition of independent student, and eliminate the threshold appropriation levels for other assistance programs as a pre-condition for funding Basic Grants.

Both bills would make important improvements to simplify the grant programs by establishing uniform need analysis criteria for eligibility and by mandating a single application form for federal assistance which would be processed without cost to the student. However, the provisions of H.R. 5192 are superior in providing assurance that the higher education community will be consulted in the process of determining such a uniform system, and in specifying more clearly the process of congressional reivew. We are concerned that the Administration's recommendations may vest too much authority in federal education officials for determinations which require the participation of the financial aid community.

B. Supplementary Grants. While the Basic Grant program provides the foundation of assistance for all students, the Supplemental Educational Opportunity Grant (SEOG) and State Student Incentive Grant (SSIG) programs are essential complements to BEOGs, providing flexible assistance to help low- and middle-income students attend institutions of their choice. It is critically important to maintain an appropriate balance between these two programs and the BEOG program, in order to provide freedom of choice as well as access. Institutions themselves, both public and independent, already provide more than $1.5 billion in grant and work funds, but the institutions are hard-pressed to sustain this level of spending, over three-quarters of which comes from their unrestricted funds.

1. Supplemental Educational Opportunity Grants (SEOG). Both H.R. 5192 and the Administration would increase the SEOG maximum to $2,000, extend eligibility for five years, and eliminate the requirement for matching institutional or federal funds. However, H.R. 5192 includes several critically important provisions to assure that students have a balanced package of financial assistance. In support of the policy goal that combined federal grant assistance and family contribution provide 75 percent of costs—which we previously cited as essential for a balanced set of federal grant programs—the bill would assure increased SEOG appropriations by raising the threshold funding level from $370 million to $400 million and to $480 million when Basic Grants are funded at the $2,160 maximum, and by raising the authorization for SEOG appropriations to $800 million by FY 85. We believe these steps are vital to assure increased assistance for students at higher-priced institutions simultaneously with the Basic Grant increases and modification of the percentage-of-cost limitation.

H.R. 5192 also contains two provisions which we especially endorse. One would prohibit regulations for allocating SEOG funds from penalizing state or institutional efforts to provide need-based grant assistance. The current USOE distribution procedures impose a penalty on states and institutions which have made relatively greater commitments to student assistance. The other provision would permit institutions to use 10 percent of their SEOG allocation, at their discretion, to meet the needs of less-than-half-time students. This recognizes the fact that a growing majority of enrollments in higher education are older, nontraditional, part-time students whose needs are not addressed by current federal assistance programs. The provision would make important progress, yet it would not add to the cost of the legislation.

Both bills also would eliminate the distinction in current law between initial and continuing year grants. While this step will simplify institutional and federal administration of the program, it would have the effect of penalizing four-year institutions who have the great preponderance of continuing students, because their allocations would become subject to the same formula which governs the distribution of initial year awards. We urge the Subcommittee to review the implications of this change, and either to provide a hold-harmless mechanism to avoid penalizing these institutions or to defer action on this proposal until its ramifications can be fully analyzed.

2. State Student Incentive Grants (SSIG). This program, although funded at modest levels, has been successful in stimulating the creation and expansion of state need-based student grant programs. H.R. 5192 contains provisions designed to increase appropriations and strengthen the effectiveness of this program. It would establish a funding threshold at the current level of $76.75 million, increase the authorization to $250 million, and allocate appropriations in excess of $76.75 million by a new formula with incentives for over-matching states and for other states to increase their SSIG funding. It would also increase the maximum grant to $2,000. These are important steps to help this program begin to

meet its full potential. However, we believe it would be highly desirable to establish a threshold level of $100 million, if that is feasible legislatively.

In addition, the bill would make less-than-half-time students eligible for SSIG awards at the discretion of participating states, and eliminate the distinction between initial and continuing SSIG awards, both of which are desirable changes. The latter change, which the Administration also recommends, would simplify program administration without the problems referred to in the SEOG program.

II. Self-Help Programs of Work and Loans

A. College Work-Study. The Administration bill would amend CWS to encourage work assignments in elementary and secondary schools, and providing special services for handicapped students. We prefer the broader language of H.R. 5192, which expands incentives for job development banks, raises the authorization for the program to $990 million, and improves administrative flexibility by allowing 10 percent of an institution's CWS funds to be either carried over to the following year or drawn back to the current year.

We also support the provisions of H.R. 5192 for consolidation and improvement of the TRIO programs of special services for disadvantaged students.

B. Student Assistance: Loans. A great deal of attention has been focused on the problems of the student loan programs of Title IV. These problems center on questions of how to provide adequate capital for loans to low-income and middle-income students and their families; how to assure equitable allocation of available loan capital; how to improve collection procedures and further reduce the default rate; how to improve the coordination and administration of the programs; and how to provide more flexible repayment arrangements without encouraging students to assume an undue debt burden.

Despite these problems, we believe that both the National Direct Student Loan program and the Guaranteed Student Loan program have served the nation well, and that incremental improvement is preferable to radical change. Therefore we strongly support the incremental changes contained in H.R. 5192.

The Administration bill and S. 1600 would make major structural changes. They would recognize the need for two distinct loan programs: one need-based, the other to provide loans of convenience for students and their parents. They would establish a new financing agency to provide the capital and assure access to loans. They would reduce the federal subsidy for current programs to make substantial savings in on-budget costs. At the same time, they would add to the cost of borrowing for students and their families.

They would remove the responsibility for collections from the colleges, although institutions could continue to make collections on a contract basis if they so desired, and responsibility for determining the loan amount would be retained at the campus level. Debt burdens would be limited by providing need-based loans on a "last resort" basis (after all other federal, state or institutional grant and/or work assistance is exhausted), requiring that the total of all assistance may not exceed the total cost of education, and (in the case of the Administration bill) stated annual and aggregate loan limits. Administration of both programs would be simplified, and more realistic deferment provisions and more flexible terms would encourage repayment.

H.R. 5192 continues the present loan programs with some changes. It adds authority for parent loans through GSL, broadens the authority of the Student Loan Marketing Association to obtain capital and consolidate loans, tightens collection procedures, liberalizes deferment and repayment provisions, and increases loan limits for NDSL and GSL, but not as much as the other two bills. NDSL authorizations would be increased to $625 million in recognition of anticipated larger on-budget costs, although the availability of funds could not be guaranteed due to the uncertainty of appropriations and the allocation process. (There is uncertainty about the amounts which would be available under the Administration bill and S. 1600, since funding would depend on a combination of appropriations, NDSL collections, and borrowing from the Federal Financing Bank.) H.R. 5192 (and S. 1600) would also retain the current NDSL loan forgiveness features, which the Administration would eliminate as a cost-saving measure.

H.R. 5192 would maintain the current 3 percent NDSL interest rate, which S. 1600 and the Administration would raise to 7 percent. The substantially increased debt burden that a change to 7 percent would impose on needy students and their families is a matter of deep concern to the higher education community. Such an increase would be particularly onorous in the case of needy students considering graduate school. The question is raised as to whether the prospect of substantially increased indebtedness might adversely affect the choice of future careers for such students—the very students for whom federal programs should be opening the doors of equal opportunity.

Other questions arise in considering any "entitlement" program designed to assure the availability of loans: could the guaranteed availability of student loans serve to undermine funding of federal grant programs, or reduce state efforts in support of higher education? What would be the impact of increased loan availability on college costs? What is the appropriate level of public subsidy for the cost of capital for student loans?

H.R. 5192 would obtain the answers to these and other questions by establishing a National Commission on Student Financial Assistance to report its findings and recommendations by July 1, 1983. We believe more definitive answers would be desirable before existing programs are fundamentally restructured.

III. Institutional Eligibility and Other Provisions.

Both bills would modify the student information provisions in current law. We support the provisions of H.R. 5192, which would make appropriate information a condition of institutional eligibility but would reject undesirable Administration proposals that would require institutions to provide data on student retention and placement, authorize the Commissioner to regulate institutional policies for refund of tuition and fees, and impose limitations on the institution's right to establish its own criteria for satisfactory academic progress. These recommendations are objectionable to the community as unwarranted interventions into institutional policies and practices.

We stress the importance of the increased administrative cost allowance for campus-based programs in H.R. 5192. This would provide vital assistance to institutions which already bear significant costs per student for administering federal programs. This provision is preferable to the allowance proposed in the Administration bill.

H.R. 5192 wisely omits the Administration's controversial proposal to remove private voluntary accreditation as a factor in determining institutional eligibility for programs under the Higher Education Act. While there is merit to the Administration's contention that the current link between accreditation and eligibility is overly cumbersome, there is no consensus in the community on what changes should be made. We believe this issue deserves thorough study and hearings before Congress mandate a change.

Following is a brief summary of our views on the recommendations for change in other titles of the Higher Education Act contained in H.R. 5192 and the Administration bill:

Title I (Education Outreach Programs)

The provisionsof H.R. 5192 are designed to provide a more coherent focus for the federal-state-institutional partnership in meeting the continuing education needs of adults. Part A of the Administration bill also deserves serious consideration. Since it authorizes aid to institutions, cities and other jurisdictions not eligible for assistance under the Urban Grant provisions of Title XI of H.R. 5192, it would be a valuable companion measure.

Both bills would repeal the current authority for acquisition of equipment to improve undergraduate instruction (Title VI), although there is continuing and increasing need to apply technology for this purpose. Therefore we welcome the language in H.R. 5192 authorizing the use of Title I funds for innovative applications of technology, including telecommunications, to overcome barriers to postsecondary opportunities.

Title II (College Libraries)

We vigorously disagree with the Administration's proposal to restrict aid to college libraries having special needs. Taken as a totality, all college and university libraries contribute to our national assets in this field, and all should be maintained and strengthened as a knowledge network, not selectively supported. There are no college libraries that are not experiencing major difficulties maintaining their collections in the face of staggering cost increases in the price of books and materials. Although Part A grants are small, they are significant and worthwhile for all institutions.

Therefore we enthusiastically support Title II of H.R. 5192, which would double Part A grants for all college libraries and broaden their purpose to include networking.

We also support the new authority in Title II of H.R. 5192 to establish a National Periodical Center. This independent, nonprofit corporation would provide access for public and private libraries throughout the United States to a comprehensive collection of periodical literature which they could not provide to their own users. The concept of such a Center has been discussed for many years, and is broadly supported in the library and higher education communities. Access to specialized periodicals has become a serious problem for all libraries, as the number of important periodicals has grown with the knowledge explosion and the average cost of subscriptions has increased 192 percent since 1970.

Title III (Developing Institutions)

The Developing Institutions program is a vital means of strengthening the academic and administrative quality of colleges which serve significant numbers of minority and disadvantaged students—colleges which are an important national resource, but which are struggling for survival. We fully support the Administration's recommendations for more than doubling its authorization from $120 million to $250 million, which H.R. 5192 proposes.

Title V (Teacher Training)

We endorse the restructuring of the Teacher Centers which H.R. 5192 would effect, with its provisions to stimulate closer collaboration between postsecondary institutions and elementary and secondary schools. In addition, H.R. 5192 incorporates the provisions of S. 360, Senator Williams' Schools of Education Assistance Act, to help schools of education better serve teachers in emerging areas of need such as adult and community education, bilingual and handicapped education, and to strengthen their capability to provide inservice training to practicing teachers.

Title VI (Foreign Studies and Language Development)

Data collected by the President's Commission on Foreign Language and International Studies, and other recent studies, demonstrate that the emphasis and support now given to education, training, and research in international studies and foreign languages will not sufficiently serve the national interest for the coming decades. We welcome the efforts of the Administration and the Congress to redirect attention to international education through a consolidation and strengthening of existing authorities in Title VI. We believe that H.R. 5192 improves on the provisions of the Administration bill.

Title VII (Higher Education Facilities)

Our institutions face large costs in the years just ahead to maintain and renovate our physical plant to meet important national purposes such as improving energy efficiency, improving access for the handicapped, meeting new health and safety standards, and equipping our laboratories to advance basic research.

We estimate that a systematic effort to improve the energy efficiency of higher education facilities would cost $4 billion, and that a similar amount will be needed to meet federal, state, and local requirements for health and safety. HEW's own studies have estimated a cost of over $500 million to accomplish the minimum plant changes necessary to achieve full program access for the handicapped.

Therefore, funding of the Title VII authorization is crucial for higher education in the 1980s. We are gratified that both bills provide a sharper focus on this priority.

We commend the Administration for proposing a new authority to renovate academic research facilities. The growing obsolescence of college and university research laboratories is a matter of serious concern in the light of the Administration's important goal of expanding the nation's basic research effort. The authority for renovation of research laboratories and equipment is embodied in H.R. 5192. Because of the special importance of this program, we believe that it warrants an appropriation authorization separate from the other facilities provisions of Title VII.

Otherwise, we strongly prefer H.R. 5192 to the Administration's other recommendations for Title VII. It retains the existing state allocation formula, rather than granting authority for the Secretary to establish a new means of distributing funds. In view of the large facilities needs which exist at all institutions in every state, the existing population-based formula seems to us to provide an equitable means for distributing funds. We also oppose raising the interest rate on facilities loans, which the Administration proposes and which H.R. 5192 rejects.

Title VIII (Cooperative Education)

Both the Administration bill and H.R. 5192 seek to stimulate greater institutional commitment to cooperative education programs by removing the current maximum of $175,000 for grants to institutions and $125,000 for participants in consortia. H.R. 5192 would establish new maximums of $250,000 and $200,000, respectively.

Title IX (Graduate Education)

We support the provisions of H.R. 5192, which reject the Administration's undesirable and unjustified proposals to repeal the Public Service and Mining Fellowship programs. H.R. 5192 would also include within Title IX the current Title XI (Law School Clinical Experience), another useful program which the Administration would repeal.

H.R. 5192 would call attention to the unmet needs for financial support for graduate students by ordering a two-year study to be submitted to Congress with recommendations. We believe that a comprehensive study of this issue is badly needed.

Access to graduate education is becoming increasingly difficult for low-income students. Although the costs of graduate school have risen as fast as any other sector in recent years, sources of support continue to be more limited.

Government and private aid to graduate students has sharply declined, while federal assistance to undergraduates has experienced remarkable growth.

The limited funds available to graduate students are primarily reserved for doctorates in the sciences, through research grants awarded to faculty. Assistance under Title IX HEA is targeted to racially and ethnically underrepresented populations, and only 350 awards were made in 1978-79. Although the Administration is seeking to expand this program to $15 million, this would represent only one-half of one percent of Title IV grant aid—yet graduate students make up 10 percent of total higher education enrollment.

With Title IX aid so severely restricted, with federal work and loan funds devoted primarily to undergraduates, and with federal grant aid generally unavailable to them, graduate students have increasingly turned to the loan programs as their most important source for financing their education. It is a source of great concern that graduate students are being expected, even encouraged, to incur debts beyond their means—often in addition to sizeable undergraduate debts—when, for most of those in the arts and sciences, prospective salaries in the traditional profession of teaching and scholarship are modest and well below those of other professions.

In brief, the current system favors those who have the necessary financial resources, while imposing a strong disincentive for talented disadvantaged students to enter graduate study in all but the most highly-paid professions. Federal programs should provide better assurance that those who have the ability to go to graduate school, and who wish to do so despite uncertain employment prospects, are not obliged to forsake their highest aspirations because they lack financial resources.

Title X (Fund for the Improvement of Postsecondary Education)

H.R. 5192 and the Administration bill would both repeal the Title X authority for assistance to community colleges, although the Community College unit in the Office of Education would be retained. Much of the substance of the current title would be retained in H.R. 5192's Title I authority designed to foster programs to meet the needs of nontraditional students. At the same time, we hope the Subcommittee will consider further amplification of this authority to provide specific encouragement for retention of students participating in such programs, many of whom need substantial remedial work to achieve satisfactory completion.

We support the new statutory authority for FIPSE's National Board contained in H.R. 5192.

Title XI (Urban Grant University Program)

This important new authority in H.R. 5192 would bring the skills, talents and knowledge of the urban universities more directly to bear on the problems facing the nation's urban centers. We strongly support this authority. The crisis of the cities is one of the nation's most urgent problems. Many postsecondary institutions have long been involved in trying to deal with it, but they need additional support and encouragement. This need is also recognized in the Administration bill, which includes an urban thrust in its recommendations for Title I.

Title XII (General Provisions)

We endorse H.R. 5192's replacement of the current Section 1202 state planning authority with more flexible provisions to give the states greater latitude to design the terms and conditions of their relationships with the federal government under Title I, the SSIG program in Title IV, and Title VII. The agreement would include the designation of the agency or agencies responsible for administration of these programs, and for the conduct of comprehensive statewide planning. The agreement would also include assurances by the state that it will involve all sectors of higher education in statewide planning.

* * * * * * *

Finally, both H.R. 5192 and the Administration bills would extend the Higher Education Act through FY 1985. We believe this is an appropriate length of time to provide stability for the programs and to establish a sound base of experience before the reauthorization process begins again.

In summary, Mr. Chairman, the legislation before this Subcommittee contains many proposals which have the enthusiastic endorsement of the community, and which are vital to the needs of higher education in the 1980s. We respectfully urge early consideration and action on these recommendations in the hope that final legislation may be enacted at this session, and that the new authorities will be available to govern the FY 81 appropriations process next spring.

On behalf of:

American Association of Colleges for Teacher Education
American Association of Community and Junior Colleges
American Association of State Colleges and Universities
American Council on Education
Association of American Colleges
Association of American Universities
Association of Catholic Colleges and Universities
Committee of Urban Program Universities
Council of Graduate Schools in the United States
National Association for Equal Opportunity in Higher Education
National Association of College and University Business Officers
National Association of Independent Colleges and Universities
National Association of State Universities and Land-Grant Colleges
National Association of Student Financial Aid Administrators
National University Extension Association

October 2, 1979

9/10/79

Organizations Endorsing the National Periodical Center

AMERICAN ASSOCIATION OF LAW LIBRARIES (AALL)

Members: 2700

Librarians who serve the legal profession; associate members are book dealers, publishers and other interested persons.

AMERICAN LIBRARY ASSOCIATION (ALA)

Members: 33,000

Librarians, libraries, trustees, friends of libraries and others interested in the responsibilities of libraries in the educational, social and cultural needs of society.

ASSOCIATION OF AMERICAN UNIVERSITIES (AAU)

Members: 50

Executive heads of universities

ASSOCIATION OF COLLEGE AND RESEARCH LIBRARIES (ACRL)

Members: 9012

A division of the American Library Association consisting of librarians, book dealers, archivists, library educators and others interested in libraries and librarianship. Represents research and special libraries in institutions of post-secondary education.

ASSOCIATION OF GRADUATE SCHOOLS IN ASSOCIATION OF AMRERICAN UNIVERSITIES (AGS)

Members: 50

Deans of gradrute studies in the 50 universities comprising the Association of American Universities.

ASSOCIATION OF RESEARCH LIBRARIES (ARL)

Members: 110 institutional

The principal association of the largest university and research libraries in the U.S. and Canada, including the Library of Congress, the National Library of Medicine, and the National Agricultural Library.

ASSOCIATION OF SPECIALIZED AND COOPERATIVE LIBRARY AGENCIES

Members:

Represents the state library agencies, specialized library agencies, and multi type library cooperatives.

CALIFORNIA LIBRARY AUTHORITY FOR SYSTEMS AND SERVICES

Members: 126 institutional

Organization of state, academic, public and special libraries in California.

CHIEF OFFICERS OF STATE LIBRARY AGENCIES (COSLA)

Members: 51

State and territorial librarians, directors, commissioners or officials who head state and territorial agencies which are responsible for statewide library development.

MEDICAL LIBRARY ASSOCIATION (MLA)

Members: 4600

Professional society of librarians and others actively engaged in library or bibliographical work in medical or allied scientific fields; medical libraries and allied scientific libraries.

NATIONAL FEDERATION OF ABSTRACTING AND INDEXING SERVICES (NFAIS)

Members: 41 institutional

Cofederation of major abstracting and indexing service organizations.

NEW YORK LIBRARY ASSOCIATION

SPECIAL LIBRARIES ASSOCIATION (SLA)

Members: 11,000

International organization of professional librarians and information experts who serve organizations in the fields of business, medicine, science, technology and the social sciences.

AMERICAN SOCIETY FOR INFORMATION SCIENCE (ASIS)

Members: 3500

Information specialists, scientists, librarians, administrators, social scientists and others interested in the use, organization, storage, retrieval, evaluation and dissemination of recorded specialized information.

UNIVERSAL SERIALS AND BOOK EXCHANGE (USBE)

Members: 1650

Libraries and institutions with library installations throughout the world.

Senator PELL. I thank you very much indeed.

There will be further questions I will submit for the record and my colleagues also would like to have that privilege.

I extend the regrets of Senator Javits who was called up to New York. Otherwise, he would have liked to have been here. I hope the person here from the executive branch will relay his apologies to Dr. Berry.

The hearing is recessed.

[Whereupon, at 12:15 the hearing was recessed.]

HIGHER EDUCATION AMENDMENTS OF 1979

WEDNESDAY, OCTOBER 3, 1979

U.S. SENATE,
SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10:12 a.m., in room 6226, Dirksen Senate Office Building, Senator Claiborne Pell (chairman of the subcommittee) presiding.

Present: Senators Pell, Stafford, Randolph, Williams and Javits.

Senator PELL. The Subcommittee on Education, Arts and Humanities will come to order.

I apologize for being late, but I was involved in a floor debate concerning the Cuban matter.

Our first witness, Gordon Ambach, has had his plane delayed, so we will start out with a panel on continuing education, Paul Kerschner, Dr. George Hanford, Dr. Wilbur Cohen, Mr. Carroll Hutton, Dr. Eileen Farley, Donald McNeil, Ms. Joan Goodin, and Donald Crawford. If they will come forward as part of the panel, and please identify themselves for the reporter.

As you gather, we have quite a heavy day, and to try to keep things rolling along, we are going to ask, on the panels, if the witnesses could limit themselves to 5 minutes of oral testimony, so that we have some time for questions and answers.

In this regard, there are some lights here, and when 4 minutes have gone by the yellow will go on, and in the fifth minute the red one will go on. These lights serve as a general reminder, because we do have quite a few witnesses today.

So if you would like to start, and introduce yourselves for the reporter.

STATEMENTS OF DR. GEORGE H. HANFORD, PRESIDENT, COLLEGE BOARD; DR. PAUL A. KERSCHNER, ASSOCIATE DIRECTOR, LEGISLATION, RESEARCH AND DEVELOPMENT SERVICES DIVISION, NATIONAL RETIRED TEACHERS ASSOCIATION AND THE AMERICAN ASSOCIATION OF RETIRED PERSONS; DR. WILBUR COHEN, UNIVERSITY OF MICHIGAN; CARROLL HUTTON, EDUCATION DIRECTOR, UNITED AUTO WORKERS; DR. EILEEN FARLEY, PRESIDENT, BRISTOL COMMUNITY COLLEGE, FALL RIVER, MASS.; DONALD McNEIL, COALITION FOR ALTERNATIVES IN POSTSECONDARY EDUCATION; MS. JOAN GOODIN, NATIONAL COMMISSION ON WORKING WOMEN; AND DONALD CRAWFORD, ASSISTANT VICE PRESIDENT, DIVISION

OF CONTINUING EDUCATION, OHIO STATE UNIVERSITY, A PANEL

Dr. HANFORD. Mr. Chairman and members of the committee, I am George Hanford, president of the College Board. I also serve as a trustee for Thomas A. Edison College, founded by the New Jersey State Board of Higher Education, which is in the forefront in providing mid-career adults with the opportunity to translate their relevant continuing educational and career experiences into college credits and degrees. From this experience, I am also aware of the impressive work being done by the States in serving adult learners.

It is a pleasure to testify before you today on the Federal role in adult learning, in particular as it relates to title I of the Higher Education Act. A copy of my full statement has been submitted for the record, but I do want to take just a few minutes to make a few points.

The College Board, as you may know, is a nonprofit membership association established in 1900, and today is comprised of more than 2,500 members—colleges and universities, secondary schools, school systems, and educational associations throughout the United States. As an advocate of the goal of equal opportunity to postsecondary education for all individuals, the major purpose of the College Board has been to facilitate individual access to education and to provide aid to those involved in transitions at various educational levels.

Historically, the adult learner has been the focus of several major activities of the College Board, and in order to consolidate our interests in the relationship between adult learners and institutions, we, 2 years ago, established the future directions for a learning society program supported by a grant from the Exxon Education Foundation. FDLS is engaged in an active search for strategies, services, and policies to gauge the needs of adult learners, help institutions solve the problems they face in meeting the needs, and to increase public, professional, and political understanding in the field recurring adult education.

First a few words about growth. It has been dramatic.

Today more than twice as many colleges and universities offer noncredit continuing education activities as did a decade ago.

Since 1972, adult male (35 and older) enrollment in college has increased by 25 percent. During the same period of time, adult female (35 and older) enrollment has doubled; while in contrast, enrollment among youth (under age 25) has been proportionately much smaller than that of both adult groups.

On college and university campuses this fall, there are approximately 15 million adults enrolled in part-time degree or noncredit activities, whereas full-time enrollments total 7 million.

Current research conducted by the College Board shows that 40 million adults have career transition needs requiring additional educational and training services.

Next, some observations about the nature and extent of participation. While adult participation in education may include those with a wide range of backgrounds, it distinctly predominates among those who are: Better educated; younger, white; and more affluent.

The statistics indicate that those who are least likely to participate in some form of organized adult education are less well educated, of lower family income, black, and 55 and over. Moreover, the situation is becoming progressively worse. Between 1969 and 1975, the participation in adult education of college-educated adults increased nearly twice as fast as that of high school graduates; white participation increased eight times as fast as that of blacks.

The growing educational gap between the participants and nonparticipants is troubling in that it echoes the national problem of equal educational opportunity of a decade ago. We can no longer assume that the problem of equal educational opportunity is limited to youth alone.

Now, just a few words about the causes of noninvolvement. Many adults who are not now participating in education are those who did not attend school or perform well in school when they were children. They are reluctant to return to the scene of former failures.

Others face logistical barriers—workers and homemakers find the times, places, and instructional formats of much traditional postsecondary education incompatible with the demands of their daily lives.

Because they have been out of the educational system for years, many adults lack even the most basic information on where to find educational opportunities suited to their needs and the financial assistance to pay for it.

We need major focus in Federal policy to relieve the disparities and the participation of adults in postsecondary education. The Federal role is extensive. My suggestions do not require the establishment of a new objective, just a few priorities.

Title I can assert that the fundamental goal of Federal policy is to assure that learning opportunities be made available to those most in need of recurrent adult education.

Title I can generate information, counseling, and brokerage service for adult learners. While information and guidance services are required by all learners, the need is particularly acute for nonparticipating adults.

Title I funds can be used to promote institutional experimentation and to encourage the innovation of new means of adult access to education, strengthening our Nation's institutions in the process.

Thank you.

[The prepared statement of Dr. Hanford follows:]

Statement by George H. Hanford,
President of the College Board

before the

Subcommittee on Education,
Arts and Humanities

Committee on Labor and
Human Resources

U.S. Senate

October 3, 1979

227

Introduction

Mr. Chairman and members of the subcommittee, I am George Hanford, president of the College Board. I also serve as a trustee for Thomas A. Edison College, founded by the New Jersey State Board of Higher Education, which is in the forefront in providing mid-career adults with the opportunity to translate their relevant continuing educational and career experiences into college credits and degrees. From this experience, I am also aware of the impressive work being done by the states in serving adult learners.

It is a pleasure to testify before you today on the federal role in adult learning, in particular as it relates to Title I of the Higher Education Act.

The College Board, as you may know, is a nonprofit membership association established in 1900, and today is comprised of more than 2,500 members -- colleges and universities, secondary schools, school systems, and educational associations throughout the United States. As an advocate of the goal of equal opportunity to postsecondary education for all individuals, the major purpose of the College Board has been to facilitate individual access to education and to provide aid to those involved in transitions at various educational levels.

Historically, the adult learner has been the focus of several major activities of the College Board. In the mid-1960s, the Board developed the College-Level Examination Program (CLEP), which provides a system by which adults may acquire college credit for both life and career experiences. In the early 1970s, the Board sponsored the Commission on Non-Traditional Study. The Commission developed more than 50 recommendations for new activities by which colleges and universities could better serve the learning needs of adults. The Board also conducted a model project to train professional librarians to provide learning advisory services to adults seeking self-directed independent learning opportunities.

In order to consolidate its concern with the relationship between adult learners and institutions, the College Board founded the Future Directions for a Learning Society (FDLS) program, which is supported by a grant from the Exxon Education Foundation. Specifically, FDLS is engaged in an active search for strategies, services, and policies to gauge the needs of adult learners; to solve the problems institutions face in meeting these needs; and to increase public, professional, and political understanding of the field of adult learning.

Growth of Adult Learning

Adult learning has undergone dramatic growth in the 1970s. Let me sketch briefly the parameters of this growth:

- Today more than twice as many colleges and universities offer noncredit continuing education activities as did a decade ago.
- Since 1972, adult male (35 and older) enrollment in college has increased by 25 percent. During the same period of time, adult female (35 and older) enrollment has doubled; while in contrast, enrollment among youth (under age 25) has been proportionately much smaller than that of both adult groups.
- On college and university campuses this fall, there are approximately 15 million adults enrolled in part-time degree or noncredit activities, whereas full-time enrollments total 7 million.
- Current research conducted by the College Board shows that 40

million adults have career transition needs requiring additional educational and training services.

Participation in Adult Learning

While adult participation in education may include those with a wide range of backgrounds, it distinctly predominates among those who are:

better educated. The less prior education, the less likely someone is to participate in adult, continuing education. 28.3 percent of those with 4 years of college or more participate, while 11.9 percent of those with 4 years of high school do, and only 3.3 percent of those with less than a high school diploma do.

younger. Only 4 percent of those over the age of 54 participate in adult education.

white. 12.1 percent of white adults participate in adult education, whereas 6.9 percent of Blacks participate. Between 1969 and 1975, the participation of Black adults increased 5 percent, while their number in the population increased 18 percent. At the same time, participation of white adults increased 32 percent, while their number in the population increased 11.3 percent.

more affluent. The lower one's family income, the less likely one is to participate in adult education. 17.7 percent of those with annual family incomes of $25,000 or more participate, while only 9.8 percent of those whose income is between $5,000 and $10,000, and only 6 percent of those with incomes below $5,000 participate (1976 data).

The statistics, therefore, demonstrate that those who are least likely to participate in some form of organized adult education are less well educated, of lower family income, Black, and 55 and over. Moreover, the situation is becoming progressively worse. Between 1969 and 1975, the participation in adult education of college-educated adults increased nearly twice as fast as that of high school graduates; white participation increased eight times as fast as that of Blacks. Although there was substantial growth in the participation of women, most of the growth was accounted for by white women holding college degrees with family incomes of $25,000 or more.

The growing educational gap between the participants and nonparticipants is troubling in that it echoes the national problem of equal educational opportunity of a decade ago. In other words, we can no longer assume that the problem of equal educational opportunity is limited to youth alone.

Having identified the characteristics of nonparticipants in adult education, I would now like to examine the causes for this problem. College Board research and experience indicate several reasons:

- Many adults who are not now participating in education are those who did not attend school or perform well in school when they were children. They are reluctant to return to the scene of former failures.
- Others face logistical barriers -- workers and homemakers find the times, places, and instructional formats of much traditional postsecondary education incompatible with the demands of their

daily lives.

- Because they have been out of the educational system for years, many adults lack even the most basic information on where to find educational opportunities suited to their needs and the financial assistance to pay for it.

Federal Policy

Mr. Chairman, I think it is clear at this point that future federal policy must focus on programs to relieve the disparities in participation of adults in postsecondary education. Specifically, the College Board recommends new initiatives in state planning, implementation of reentry programs, information and counseling activities, local community support programs, and programs run in partnership among educational institutions, labor unions, and/or employers. It should be noted that there are successful ongoing models of these programs in current practice. However, they are merely models. I am, therefore, suggesting the specific implementation and adaptation of these programs to nonparticipating adults on a national level.

Reentry programs serve to assist persons in transition between home, work, and education. Some reentry programs focus on groups of nonparticipating adults, such as displaced homemakers (persons who have been doing unpaid labor in the home, and who were dependent on the income of another family member). A number of programs around the country provide counseling and support services for displaced homemakers to enable them to find appropriate training and employment opportunities. One example is the Telephone Counseling for Home-Based Adults project, which resulted in the Career Counseling Service located in Providence, Rhode Island. (I have enclosed the College Board study of this innovative program as an appendix to my testimony).

Information and counseling activities to serve the learning needs of adults have become an important activity. New York State has had several unique programs in this area. The Regional Learning Service of Central New York brought to national attention the concept of "brokering" educational resources to potential learners. The state is also establishing, after several years of successful pilot projects, a comprehensive library educational information and referral network for adult learners.

Programs which utilize the resources of local communities and help nonparticipating adults are also important in providing access to education. An example is the pilot internship program for Hispanic students at Boricua College in New York City. This program is designed to integrate the practicial experience and theoretical learning of more than 200 low-income adult students by providing paid employment in the human service and business administration fields.

The fourth type of activity is a collaboration among educational institutions, labor unions, and employers. Studies have shown that industrial worker participation in education is very low and that worker utilization of negotiated tuition refund benefits is estimated at less than five percent. The College Board's FDLS program, with a grant from the U.S. Office of Education, has worked with the United Auto Workers International, Mack Trucks Locals 171 and 1247, and

Hagerstown Community College in training workers as peer counselors -- to inform fellow workers about the use of existing education and training benefits.

As you know, Mr. Chairman, the federal role in recurrent adult education is extensive, encompassing 270 programs in 29 cabinet-level departments and agencies. My suggestions for the future federal role in adult learning do not require the establishment of a new objective. Rather, we should extend the domain of current federal policy-- equal educational opportunity-- to encompass and define the federal role toward recurrent adult education.

Priorities for Title I

Within the context of Title I, federal policy should focus on those areas of greatest need where others (i.e., state and/or private employers) are unwilling or unable to respond, by promoting policies and programs which respond to the needs of those adults with the greatest educational deficits. It should direct its own efforts, those of the states, and those of the private sector toward the educational needs of non-participating adults. This can be accomplished in several ways:

- Title I can assert that the fundamental goal of federal policy is to assure that learning opportunities be made available to those most in need of recurrent adult education.
- Title I can generate information, counseling, and brokerage services for adult learners. While information and guidance

services are required by all learners, the need is particularly acute for nonparticipating adults.

- Title I funds can be used to promote institutional experimentation and to encourage the innovation of new means of adult access to education, strengthening our nation's institutions in the process.
- Finally, some Title I funds should be allocated for further policy research on issues such as nonparticipation in recurrent adult education.

Thank you, Mr. Chairman and members of the subcommittee, for this opportunity to share our views with you concerning the needs of nonparticipating adults in recurrent education, the future federal role, and Title I. I would be pleased to respond to any questions and look forward to the comments of my fellow witnesses.

Senator **Pell**. Thank you very much indeed.

Now, who would like to go next?

Doctor Kerschner, we will go forward with your testimony.

Senator **Stafford**. Mr. Chairman, I would suggest that since we are rushing their testimony a bit, that we would have their full statements in the record as though read.

Senator **Pell**. Oh, absolutely.

Dr. **Kerschner**. Thank you, Mr. Chairman.

Mr. Chairman, I am Dr. Paul Kerschner, and I am the associate director for the Division of Legislation, Research, and Developmental Services of the National Retired Teachers Association and the American Association of Retired Persons. We thank the committee for the opportunity to testify on title I of the Higher Education Act. Before joining the associations last year, I was the director of community programs and a professor at the Andrus Gerontology Center on the campus of the University of Southern California. Both personally and on behalf of the two associations I represent here today, I bring a firm commitment to the concept of adult learning.

NRTA-AARP are affiliated, nonprofit membership organizations representing over 12 million older Americans. As organizations responsive to the needs of older persons, NRTA and AARP have long been committed to the concept of adult learning. In our opinion, education and continued learning opportunities are critical to the quality of life and the mental and physical well being of all older persons.

The organizations founder, Dr. Ethel Percy Andrus, a retired schoolteacher, believed that older persons should not be denied an opportunity to remain mentally fit. She established the Institute of Lifetime Learning to provide adult education programs specifically designed for older persons. Fifteen years ago, there were few programs of this kind in the United States.

Today, we can say that the concept of adult learning has "come of age." Today, great numbers of people are living into their seventies, eighties, and nineties. This means also that many more people today can anticipate 20, 25, or 30 years of retirement. In a rapidly changing society, citizens of all ages—and particularly the elderly—must acquire the skills necessary to allow them to cope with rapid technological and social advances to be qualified for employment and reemployment, and to offer service to their communities as volunteers.

I have attached to this statement a portion of a larger statement presented to the Senate Special Committee on Aging last fall during hearings on Retirement, Employment and Lifelong Learning. I have done so because this section on lifelong learning provides the historical perspectives from which we must view the evolution of the concept. It further sets out the importance of learning opportunities in the lives of older adults. From this perspective we gain significant insights into the issues we must address in our efforts to strengthen public policy in the area of lifelong learning. Among these are the need to develop innovative and creative approaches which will break down barriers which block access of adults to educational and training opportunities; a need to coordinate and to plan lifelong learning programs to utilize more effectively current and new adult learning resources from both Government and private sources; a need to bridge the awareness gap which exists between learning that takes place within the traditional institutional setting and that which takes place in nontraditional settings, through organizations outside the formal education structure; the need for flexibility in program design so that program offerings can shift with changing adult student needs; and finally a need to assess, on an ongoing basis, the evolving educational and training needs of adult students and to evaluate the effectiveness of lifelong learning programs in meeting those needs.

We are particularly pleased to be here today to testify on title I of the Higher Education Act and to reinforce our strong support for lifelong learning which is embodied as a concept in part B of current law. We were active participants in 1976 in the legislative effort to add lifelong learning to the act. In the current debate over the reauthorization of the act, we are particularly concerned that lifelong learning activities be strengthened and given a stronger focus within title I of the act. To fail to address the problems which have resulted in no moneys being appropriated for this part, or to lose the concept from the act entirely, would be a critical loss at a time when the importance of learning opportunities for training or retraining adults for continued or new employment is being emphasized. Additionally, part A, the community service and continuing education programs, has suffered from a confusion of purposes and a State allotment formula which distributes small amounts of money to institutions of higher education without significant regard to national priorities or quality of programs.

In assessing the problems of title I to arrive at a practical approach for solving them, we believed it essential to restructure the title entirely. Working closely with the College Board, the National Advisory Council on Extension and Continuing Education, the United Auto Workers and the Education Commission of the States, NRTA-AARP took the lead in developing a revised title I. This proposal, which was introduced by Congressman William Ratchford, gave full recognition to the role that States, institutions, the private sector, and the Federal Government, must all play in adult learning. The Ratchford legislation was embodied within the House Committee on Education and Labor's recently passed reauthorization of the Higher Education Act which we strongly support.

I would like to outline briefly three issues regarding title I which should be carefully examined by the Senate in the discussions of reauthorization of the act.

First, the Senate must recognize that adult learning occurs in a variety of settings: traditional institutions, certainly, but also in a growing number of other locations. Research has shown that adults are more likely to learn in places that are convenient to where they live or work. The older adult has a median educational level of the eighth grade and therefore may be quite unfamiliar with the traditional educational institutions. This same person may be receiving valuable educational material at the local senior center or at union meetings. We are pleased that the House recognized not only the valuable contribution of traditional educational institutions, but also the importance of the nontraditional providers of education.

Second, the problem of access needs to be addressed. In the face of declining numbers of traditional students, we need to develop creative approaches to facilitate the access of adults into educational programs. Adults require flexibility, support services and information about programs.

[The prepared statement of Dr. Kerschner follows:]

Statement
of
Dr. Paul A. Kerschner, Associate Director
of the
Legislation, Research and Developmental Services Division
for the
National Retired Teachers Association
and the
American Association of Retired Persons

before the
Subcommittee on Education, Arts and Humanities
of the
Committee on Labor and Human Resources
U.S. Senate

Hearings on
Reauthorization of the Higher Education Act of 1965
Title I

October 3, 1979
Washington, D.C.

Mr. Chairman, I am Dr. Paul Kerschner, and I am the Associate Director for the policy and program division of the National Retired Teachers Association and the American Association of Retired Persons. We thank the committee for the opportunity to testify on Title I of the Higher Education Act. Before joining the Associations last year, I was the Director of Community Programs and a professor at the Andrus Gerontology Center on the campus of the University of Southern California. Both personally and on behalf of the two Associations I represent here today, I bring a firm commitment to the concept of adult learning.

NRTA-AARP are affiliated, non-profit, membership organizations representing over 12 million older Americans. As organizations responsive to the needs of older persons, NRTA and AARP have long been committed to the concept of adult learning. In our opinion, education and continued learning opportunities are critical to the quality of life and the mental and physical well-being of all older persons.

The organizations' founder, Dr. Ethel Percy Andrus, a retired school teacher, believed that older persons should not be denied an opportunity to remain mentally fit. She established the Institute of Lifetime Learning to provide adult education programs specifically designed for older persons. Fifteen years ago, there were few programs of this kind in the U.S.A.

Today, we can say that the concept of adult learning has "come of age." Today, greater numbers of people are living into their 70's, 80's and 90's. This means also that many more people today can anticipate 20, 25 or 30 years of retirement. In a rapidly changing society, citizens of all ages -- and particularly the elderly -- must acquire the skills necessary to allow them to cope with rapid technological and social advances, to be qualified for employment and reemployment, and to offer service to their communities as volunteers.

I have attached to this statement a portion of a larger statement presented to the Senate Special Committee on Aging last fall during hearings on Retirement, Employment and Lifelong Learning. I have done so because this section on lifelong learning provides the historical perspective from which we must view the evolution of the concept. It further sets out the importance of learning opportunities in the lives of older adults. From this perspective we gain significant insights into the issues we must address in our efforts to strengthen public policy in the area of lifelong learning. Among these are the need to develop innovative and creative approaches which will break down barriers which block access of adults to educational and training opportunities; a need to coordinate and to plan lifelong learning programs to utilize more effectively current and new adult learning resources from both government and private sources; a need to bridge the awareness gap which exists between learning that takes place within the traditional institutional setting and that which takes place in non-traditional settings, through organizations outside the formal educational structure; the need for flexibility in program design so that program offerings can shift with changing adult student needs; and finally a need to assess, on an ongoing basis, the evolving educational and training needs of adult students and to evaluate the effectiveness of lifelong learning programs in meeting those needs.

We are particularly pleased to be here today to testify on Title I of the Higher Education Act and to reinforce our strong support for lifelong learning which is embodied as a concept in Part B of current law. We were active participants in 1976 in the legislative effort to add lifelong learning to the Act. In the current debate over the reauthorization of the Act, we are particularly concerned that lifelong learning activities be strengthened and given a stronger focus within Title I of the Act. To fail to address the problems which have resulted in no monies being appropriated for this part, or to lose the concept from the Act entirely, would be a critical loss at a time when the importance of learning opportunities for training or retraining adults for continued or new employment is being emphasized. Additionally, Part A, the Community Service and Continuing Education Programs, has suffered from a confusion of purposes and a state allotment formula which distributes small amounts of money to institutions of higher education without significant regard to national priorities or quality of programs.

In assessing the problems of Title I to arrive at a practical approach for solving them, we believed it essential to restructure the Title entirely. Working closely with the College Board, the National Advisory Council on Extension and Continuing Education, the United Auto Workers and the Education Commission of the States, NRTA-AARP took the lead in developing a revised Title I. This proposal, which was introduced by Congressman William Ratchford, gave full recognition to the role that States, institutions, the private sector and the federal government, must all play in adult learning. The Ratchford legislation was embodied within the House Committee on Education and Labor's recently passed reauthorization of the Higher Education Act which we strongly support.

I would like to outline briefly three issues regarding Title I which should be carefully examined by the Senate in the discussions of reauthorization of the Act.

First, the Senate must recognize that adult learning occurs in a variety of settings: traditional institutions, certainly, but also in a growing number of other locations. Research has shown that adults are more likely to learn in places that are convenient to where they live or work. The older adult has a median educational level of the eighth grade and therefore may be quite unfamiliar with the traditional educational institutions. This same person may be receiving valuable educational material at the local senior center or at union meetings. We are pleased that the House recognized not only the valuable contribution of traditional educational institutions, but also the importance of the non-traditional providers of education.

Secondly, the problem of access needs to addressed. In the face of declining numbers of traditional students, we need to develop creative approaches to facilitate the access of adults into educational programs. Adults require flexibility, support services and information about programs. One of the principal providers of education to adults are the community colleges, which have facilitated access in a variety of ways. Non-traditional education providers also must be encouraged to develop innovative ways to foster access and to reach those persons who are underserved. We feel that a redirection of Title I to foster access to those adults whose education needs have been inadequately served will strengthen the Act.

Finally, I would like to state categorically our support for a federal role in adult learning. While we would basically agree with those who argue that education is a state responsibility, we feel that some educational activities can best be carried out by the federal government. For example, dissemination of model projects, programs which are multi-state or regional in nature, and the examination of the future trends in adult learning could all be components of a federal role. By targeting its efforts on specific areas of concern, the money and energy of the federal government could be focused.

The House Committee on Education and Labor supported the concept of a federal role in adult learning. We would strongly urge the Senate to consider, not only a federal role, but also the allocation of a higher percent of funds than was allocated under the House provisions.

We are sensitive to the concerns which have been raised by a variety of groups during the debate on reauthorization. However, the traditional and non-traditional providers and the small and large states have all worked together and, as a result, the House bill has struck a balance. The organizations which I represent will be pleased to work with the Subcommittee as debate continues on reauthorization.

In closing, I would like to reinforce NRTA-AARP's commitment to adult learning. Thank you for your attention to my comments.

Appendix A *

V. LIFELONG LEARNING

To paraphrase and expand on a comment made by Secretary of Commerce Juanita Kreps at a conference on lifecycle planning, "the press and the public clearly appreciate stories of 80 and 90 year old individuals returning to school, graduating, taking on new jobs and other 'life engaging' activities." What is not so clear, however, is our universal understanding of the dimensions of the lifetime learning issue. A brief historical review of education, learning and the older adult may provide us with the information base necessary to promulgate future public policy in this area.

A. History

During the decades, 1900 to 1930, educational opportunities for the older adult (ages 35-50) were limited indeed.** This situation was due to a combination of factors including: (1) a high degree of employment resulting in little "perceived need" or "leisure time"; (2) a lessor societal commitment to the notion of universal access to education; and (3) lack of institutional resources available to the "non-traditional" learner.

The advent of the Great Depression while removing two of these impediments, high employment and lack of time, added yet another barrier, namely a lack of income for those employed individuals desiring to "purchase" learning opportunities. The Depression had an even greater impact, however. For the first time there surfaced what was to become an on-going national problem-the need for career retraining and relearning. As industry recognized the need to "lay off" workers in order to reduce costs, the first to go were the middle-aged and older workers. Rather than move vigorously to organize retraining opportunities, we as a society set out exclusively on the road of income maintenance, ignoring "service" (education). The passage of the Social Security Act represented a decision upon the part of government to "disemploy" older workers by using a monetary carrot rather than engage in reemployment through an educational vehicle.

---

* From NRTA/AARP statement on Retirement, Employment and Lifelong Learning, U.S. Senate Special Committee on Aging, Washington, D.C., September 8, 1978.

** Ruth Weg, Demographics of Aging, Summer Institute, USC, 1977-78.

This process remained in place until the late 1940's when yet another societal upheaval signaled a change in the history of lifelong learning. The return of World War II veterans to civilian life required massive monetary intervention upon the part of the federal government to provide educational and training opportunities. While many of these returning soldiers were young men, a significant proportion were middle aged and older necessitating "learning" programs which had a heavy flavor of retraining or at least retreading. Thus throughout the 1950's we were witness to a subtle but steady alteration of curricula in universities and junior colleges with an increasing "tilt" toward courses and programs in the professional areas aimed at the "older" student.

The advent of the Viet Nam War combined with, or resulting in, ferment on the college campus, significantly altered the demographic profile of student bodies. As universities and community colleges became less attractive and perhaps less inviting to the older student, secondary schools stepped into the breech. We saw the growth of adult education classes offered at nights ,on weekends and based geographically where older adults would have easy access (e.g. shopping centers, union halls, senior centers, etc.).

(B) The Modern Era

The passage of the Older Americans Act in 1965 marked the first time that the federal government took an abiding interest in the issue. The genesis of any program has considerable bearing upon its future direction and lifelong learning is no exception. The reasons behind this interest were multiple; large sums of money being placed in education/training titles: a growing awareness of the implications of the "graying" of America; and pressures by management and labor for the federal government to intervene on a variety of levels in the employment/unemployment arena. From 1965 to 1976, the government moved carefully as it sought to put into operation the concept articulated by the Education Task Force of the 1971 White House Conference on Aging.

> "Education is a basic right for all persons of all age groups. It is continuous and henceforth one of the ways of enabling older people to have a full and meaningful life and a means of helping them develop their potential as a resource for the betterment of society."*

During the intervening eleven years between the passage of the Older Americans Act and the 1976 Lifelong Learning Act, a variety of programs and program definitions were tried in an attempt to fulfill this "basic right." A brief review of these attempts may result in defining what we see as our future role.

(1) Learning as an Enabling Device

Here we were witness to classes run by secondary school districts which focused on subjects which would enable older adults to function in society, e.g., English as a second language; income tax assistance; driver education, etc. The majority of these classes were operated at night in schools and community centers.

(2) Learning for Learning's Sake

In an attempt to eliminate the notion that learning must have immediate and direct life utility, classes were developed which would broaden the interests and experiences of older adults. (It is important to note that over 50 percent of today's 65+ generation have had less than an eighth grade education). These offerings included: Art History, Civics, Languages, etc. Senior Centers, churches and local senior citizens clubs served as the conveners of these classes.

---

* 1971 White House Conference on Aging, Washington, D.C. U.S. GPO, 1972.

(3) Learning as Skill Development

As unemployment increased and the older worker became increasingly vulnerable to early "retirement" it became clear that retraining opportunities were required. Thus we saw the rise of classes in job-related fields such as paralegal training, peer counseling and child care. Interestingly, the rise in the number and type of these classes accompanied the increase in age-related employment programs such as Foster Grandparents, the Retired Senior Volunteer Program, Title IX, now Title V of the Older Americans Act and the like. In the main, however, these "jobs" have been for the post-retired and involve a relatively small percentage of older individuals. The skill development options have, however, involved the use of community colleges and universities in terms of both faculty and sites.

(C) Current and Future Developments

Events of the past two years have necessitated yet another shift in lifelong learning programs. The specter of high level, long term inflation is likely to cause older workers to cling tenaciously to their jobs. Pressures from trade unions to open positions for younger employees combined with the desire of management to bring in new knowledge has placed older workers in a situation requiring retraining, retreading and job redefinition.

The passage of the 1976 Lifelong Learning Act was in many ways as much an economic document as a social statement. It recognizes the need to "attack" the issue on a variety of fronts, while placing heavy emphasis upon the development of the individual within the work system.

"Policymakers with a lifelong learning perspective can help to close the gap between the learning and work lives of individuals by improving the work-related experience available through the educational system, by improving the learning opportunities available at the workplace, and by encouraging linkages between both systems to support continual human development and life transitions."*

The Associations have consistently supported a multifaceted approach to lifelong learning issues. Our experience with our Institute of Lifetime Learning clearly indicated the aforementioned trend toward work-related learning. In the early years of the Institute the bulk of our efforts was aimed at providing general educational opportunities (see earlier description of learning for learning's sake)for older adults. As community colleges and secondary schools assumed greater and greater responsibility in this area, our Institute began to alter its role and function.

In the coming year, the Institute of Lifetime Learning will be assessing the work/education field to identify realistic options for the re-education and retraining of the employed middle-aged and older worker. These options might include: job sharing; job transitions; returning to earlier careers; job reclassification; and skill renewal. Once the various options have been assessed, the Institute, in cooperation with various educational and corporate institutions, will assist in the development and implementation of training materials and curricula.

---

* Lifelong Learning and Public Policy, HEW, February, 1978 page vii.

It is our firm belief that Congress in cooperation with the Department of Health, Education and Welfare must assist in the redirection of lifelong learning into the new areas of work, retirement, and continuous learning. To do anything less would be to develop policy in a vacuum, ignoring the direct impact that the economy and work patterns have upon the educational needs of older adults. A cooperative thrust at all levels aimed at opening new opportunities for America's older worker will have significantly beneficial effects for the society in general and the work environment in particular. We fully support the Lifelong Learning Act and trust its implementation will incorporate the societal realities mentioned throughout this statement.

Senator PELL. Thank you very much.

I do not mean to hurry you here this way. It is just the nature of the hearing.

As I say, your full statement will appear, as Senator Stafford suggested, in the record, and will be studied by the staff.

What would help us particularly is if there are any points that you want to make, that you think should stay in Senator Stafford's and my mind, one, two, three; bang, bang, bang. Those suggestions should be made now.

The full statement will be studied, and analyzed by the staff and by us, as time goes on.

OK, who would be the next witness?

Ms. GOODIN. Mr. Chairman and members of the subcommittee, I am Joan Goodin, executive director of the National Commission on Working Women whose secretariat, the Center for Women and Work, is a unit of the private, nonprofit National Manpower Institute, headed by Willard Wirtz. Mr. Wirtz, who also serves on our commission, regrets he could not be here today, but did testify before the full committee during the hearings on "The Coming Decade: American Woman and Human Resources Policies and Programs." I take this opportunity to ask that our testimony from those hearings be made a part of the record here.

Senator PELL. Certainly, without objection.

Ms. GOODIN. Thank you.

[The prepared statements referred to follow:]

THE COMING DECADE: AMERICAN WOMEN AND HUMAN RESOURCES POLICIES AND PROGRAMS

Testimony submitted before:

The Senate Committee on Human Resources
The Honorable Harrison A. Williams, Jr., Chairman

Comprehensive Oversight Hearings - January 31/February 1, 1979

Submitted by:

Joan Goodin
Willard Wirtz
for the
National Commission on Working Women
1211 Connecticut Avenue, N.W., Suite 400
Washington, D.C. 20036
202/466-6770

Statement by Joan Goodin, Executive Director National Commission on Working Women, before the Senate Committee on Human Resources, Washington, D.C. January 31, 1979

Mr. Chairman and Members of the Committee, I am Joan Goodin, Executive Director of the National Commission on Working Women whose secretariat, the Center for Women and Work, is a unit of the private, nonprofit National Manpower Institute. The Commission is a two-year, nongovernmental body funded principally by a grant from the National Institute of Education (HEW), with special project funds from private foundations and corporations. Our Chair is Elizabeth Duncan Koontz, former Director of the Department of Labor Women's Bureau and currently Assistant State Superintendent of Public Instruction in North Carolina. The other 25 NCWW Commissioners are from business, labor, academia, the media, the Congress and the grass roots. The inclusion of these sectors of our society in the designation of Commissioners was purposeful. It is our firm belief that until these key groups understand and become sensitive to a problem, solutions can neither be effectively designed nor implemented.

The Commission was created in answer to an unmet need in our society - the need to recognize one of this country's greatest human resources: those 33 million women in the labor force who hold low-paying, low-status jobs in clerical occupations, service industries, retail stores, factories and plants. They represent about 80 percent of all employed females. These women are in jobs so critical to the economic survival of this nation, and yet as a group they are so isolated and underrepresented - even exploited - in the labor market that they are not only seriously disadvantaged but also discouraged.

The work of the Commission has a firm foundation in the grassroots. We have planned and carried out field research through a series of Regional Dialogues with women, with a national magazine survey which not only brought us 150,000 responses from women, but over 1,000 accompanying letters which describe eloquently the plight of women workers in non-professional, non-technical jobs, as well as homemakers whose lack of opportunity and economic independence puts them at great risk in this time of family disruptions and unchecked inflation. We come before you today, not with intellectual analyses, nor with political rhetoric, but with the raw problems of working women.

Working women do not have equal pay for equal work 16 years after legislation provided for it. Further, women are doing work comparable to work done by men at a significantly reduced wage, thus opening wider gaps in the wage system. Nor do they have adequate health and pension benefits.

Working women do not have accessible, affordable child care while on the job. This is difficult to accept in a nation which purports to set the family as the foundation of our society.

Working women have little access to or opportunity for the education and training they need to either support their desire to enrich their work lives or to have the credentials needed to demand higher status and wages.

The value of the work women do is consistently ignored and unrewarded. The traditions of American society so firmly support the role of women as second class and temporary workers that they have been drained of their natural self-confidence and self-esteem, thus leaving them with little energy to solve these work-related problems.

6

The National Commission on Working Women has submitted to this Committee additional written testimony which will further support our oral presentation here today. I also take this opportunity to submit for the record the Commission's Annual Report to NIE, documents describing our Regional Dialogues, a copy of our national survey questionnaire and other pertinent documents.

I am especially pleased to be joined today by Mr. Willard Wirtz, Chair of the Board of the National Manpower Institute, and member of the National Commission on Working Women. At the conclusion of our panel, Mr. Wirtz will summarize our testimony and make a recommendation for action.

Now it is my privilege to introduce to this Committee four women whose work experience reflect the lives of the more than 30 million women employed in female-intensive occupations. But each is unique in her approach to, and awareness of, the problems of working women. They are all members of the National Commission on Working Women.

Helen McKinnon is a household technician at Virginia Union University in Richmond. She has cleaned dormitories and campus houses for 20 years. Her pay was substantially below minimum wage until 1975. The most progressive opportunity afforded by her job was a training program to improve productivity on the job, plus a new title to replace 'maid'. No extra wages came with those changes. Ms. McKinnon is now tangled in a disability, workman's compensation web which threatens her present lifestyle, her future work opportunities and her daughter's ability to continue her college education.

Betty Samora from Alamosa, Colorado is unemployed. She and her husband are worried about their economic future. Betty was a highly respected supervisor in a local garment factory Having been promoted to 'management' by the company (which provides one of the few sources of employment in that small, rural community), she made less than the unionized sewing machine operators she was training and supervising. After months of serious effort to change this unfair economic situation, she was forced to quit when her request for a transfer back to the line was rejected by the boss on the grounds that she would probably become a troublemaker.

Day Creamer from Chicago, Illinois is a clerical worker organizer. Benefiting from her own experience as an undervalued and underpaid office worker, Day has become an activist in the growing office worker movement. Her group's latest outreach to Chicago clerical workers, through which a modest career advisement program was offered, brought forth many times more women desiring counseling than they can possibly accommodate with available funding and staff.

Bonnie Vaughn is the head cashier in a Jackson, Michigan supermarket, and the mother of 5 teenagers. For 20 years she has combined paid work and homemaking chores, but not without feeling the guilt and frustration which society places on the dual-career woman. Bonnie maintains that lawmakers and the leadership of this country do a great disservice to workers when they expect their families to survive and thrive in the absence of adequate support systems, such as child care, to help them along.

FURTHER TESTIMONY

Currently, some 42.1 million American women work outside the home for pay. This is nearly triple the number of women that were in the labor force in 1940.

Approximately 80% of these women workers are concentrated in jobs at the low end of the pay scale in service industries, clerical occupations, retail stores, factories and plants. These working women have no advocacy organization at the national level. As a group, they are isolated and under-represented. Traditionally their needs have been neglected.

It is not only working women, but also their families and society as a whole, that suffer because of this lack of attention. The National Commission on Working Women was created to:

1. Explore and publicize the problems and needs of working women concentrated in above-mentioned occupations.
2. Design and carry out action research to document the prime concerns perceived by working women themselves.
3. Raise public awareness about the status of these women.
4. Improve federal, state and corporate policy concerning the conditions of working women.

Recent studies not only show that more women than ever before are working for pay, but that they will probably continue to work -- whether they are married, single, widowed or divorced, and whether or not they have children. Why? For the same reason men work: economic necessity. Yet women are concentrated in a few occupations and are further segregated into certain jobs within those occupations. They are earning less than their male counterparts for the same or similar work. Moreover, many of them are underemployed in relation to years of education completed.

In 1978 50% of all women 16 and over worked full-time, year-round for pay. If women who worked part of the year are included, that figure rises to 56%.

WHAT SOME OTHERS ARE SAYING ABOUT THE PRESENT SITUATION:

Alan Pifer, President of the Carnegie Corporation of New York said in his 1976 Annual Report that "Social policies have not yet caught up with changing social practice. Nowhere is this disparity between reality and myth as the foundation for social policy more evident than in regard to the large-scale movement of women into the labor force - a phenomenon that could have consequences of immense magnitude for the nation."

Alexis Herman, Director, Department of Labor Women's Bureau, cautions against viewing the influx of women into the labor force as a sign of progress. Women "are still, for the most part, going into the same kinds of low-status, low-paying jobs in clerical and service occupations." Herman notes that of the 441 occupations listed in the Census Occupational Classification System, the majority of women are found in only 20.

In a special report to its members titled "Women at Work", The Conference Board noted that while women have made breakthroughs into new fields, the changes have been modest. "Should this slow pace of change continue for another decade, it will generate a continuing gap between women's career aspirations and reality in the labor market."

MINORITY WOMEN WORKERS - DISTRIBUTION AND SPECIAL CHARACTERISTICS:

According to various economists, minority women suffer the most in times of economic downturn because of the higher proportion of them who have dependents and because of their low level of median earnings. Though the median earnings of all men are higher than the median earnings of all women as a group, non-white women have a greater economic need because minority male heads of household earn an average income that is lower than white male family heads.

In 1976, minority women accounted for 12% of all women in the population. They were 13% of all women workers (about five million, of whom 90% were black). Furthermore, women headed 36% of all black families and 21% of Hispanic families compared with 11% of white female-headed families. Among those families headed by women who worked full-time the year round, the incidence of poverty was almost four times greater for minority families than for white families (15% and 4% respectively). 65% of minority women workers are high school graduates, compared to 76% of white women workers.

Fully employed minority women continue to earn less than white women, but the gap has narrowed appreciably. For example, in 1977 black females earned $7,599, while white women earned $8,870.

OTHER FACTS THAT DESERVE THIS COMMITTEE'S ATTENTION:

Before beginning to concentrate on policies and directions, it might be helpful for the members of this Committee to take a look at the following data concerning women workers in the United States:

- As of March 1978, 43% of all women in the labor force were single, widowed, separated or divorced, and worked to support themselves and their dependents. In 1975, 84% of women in the labor force either supported themselves or were married to men whose annual income was under $15,000. According to the Bureau of Labor Statistics, an income level of $15,000 was $1,236 below the amount needed by a family of four to achieve a "modest but adequate" standard of living in 1976.

- Women account for:
  - 98% of all secretaries;
  - 94% of all typists;
  - 78% of all clerical workers;
  - 95% of all private household workers;
  - less than 10% of skilled workers; and
  - less than 5% of top management jobs.

Earnings Gap

- Relative to men, women fared best in professional and technical occupations, where they earned 73% of men's pay. They fared worst in sales, where they earned only 45% as much as men. In other categories, women's earnings compared to men's were: clerical workers, 64%; operatives 60%; service workers, 64%; craft workers, 61%.*
- Overall, the earnings gap between men and women is significant and has actually widened in recent years. In 1977, women earned only 58.9% of the median earnings of men for year-round, full-time work. In 1955, they earned 64% of what men earned.

---

* May 1976 figures, BLS Data Book on U.S. Working Women.

Family Responsibilities

- 50.5% (15.5 million) of all mothers with children under 18 were in the labor force in March 1977. This compares with 9% in 1940; 27% in 1955; and 35% in 1965. 5.4 million working mothers had children under six years of age. There were only about one million spaces available in licensed day care programs. No one yet knows how many of the remaining children have been adequately provided for, and how many are actually left to their own devices out of sheer necessity.
- Since 1966, women's part-time employment has grown almost twice as fast as their full-time employment -- often at a cost to their careers since part-time jobs are the lowest paying in many occupational categories (e.g., office temporaries, sales clerks, waitresses, etc.). Approximately one-third of working mothers have taken part-time employment, apparently in an effort to balance home and work responsibilities.

Education and Training

- Post-high school vocational training undertaken by women has followed traditional patterns of sex segregation: 95% of health courses, and 79% of business/commercial courses in vocational-technical schools are taken by women. Meanwhile, 98% of technical, industrial and trade subjects are taken by men.
- As of June 1976, women comprised only about 1% of all registered apprentices (3,545 out of a total of 267,645). Of the 415 apprenticeable trades and crafts, only the barber/beautician trade has more women than men - 496 or 54.5%. In 1975, only eight groupings listed more than 100 women apprentices: barbers and beauticians, bookbinders and bindery workers.

carpenters, typesetters, cooks and bakers, electricians, machinists, and tool and diemakers. Only 0.36% of all construction trades apprentices were women.

- National tests indicate that 17-year-old girls have a less realistic understanding of careers and working than do boys of that age. A recent Gallup Poll showed that 'secretary' was the most popular career choice among teenage girls. At the adult level, lack of career-oriented education and training is considered to be one of the strong root causes of women's inability to establish themselves in upwardly mobile occupations.
- It is reported that Title IX, which prohibits sex discrimination in any school program or activity that receives federal funds, is not being fully implemented in the states, and is not being properly enforced by the Office of Civil Rights at HEW. Four states (Georgia, Indiana, South Dakota and Vermont) were in violation of all the requirements of Title IX in a 1976 study by the Project on Equal Education Rights.

WHAT ABOUT ATTITUDES AND SOCIAL CONDITIONING?

What the foregoing facts and figures do not show are the job-related attitudinal problems faced by working women. Neither do statistics show how certain traditional beliefs and practices actually translate into on-the-job hardships for working women.

The work of the Senate Human Resources Committee must include consideration of the following attitudinal questions:

The average employed woman puts at least twenty-six hours per week into household duties in addition to her job. Working mothers are often criticized for not being at home with their children, whereas working fathers are not subject to the same rebuke.

- How can policy makers be more sensitive to the need for relaxation and recreation among all working people, and for sharing home/child care responsibilities?

The blue-collar woman is often perceived as "unfeminine", or trespassing in a man's world.

- How can policy makers work to remove these stereotypes that create barriers for women?

A licensed practical nurse whose duties include technical as well as interpersonal skills earns less than a hospital custodian.

- How can policy makers broaden existing legislation to encompass the concept of "equal pay for work of comparable value?"

A part-time sales woman is at the mercy of the company's work schedule, which keeps workers on late night, weekend, and holiday shifts (regardless of employee preference), and eliminates the benefit system.

- What can policy makers do to eliminate the exploitation and fear of these unprotected workers?

A woman writes, "I have a deep-seated fear of responsibility which interferes on some basic level with my promotion to a better job. The kind of self-confidence I lack is probably the same thing many women complain about - early childhood conditioning to stay home, to accept the guidance of others, leave decision-making up to others, stay out of the lime light, avoid being noticed by others."

- How can policy makers bring the education, training and counseling of women and girls into alignment with the realities of their probable work life of 24 years.

Labor statistics show that there will be a surplus of more than one million college graduates between now and 1985. Technological innovation is changing the personnel needs of industry. Economic trends are creating a long-range need for two-earner families just to sustain a modest lifestyle.

- What can policy makers do to support a more productive relationship between education and work, and to provide educational programs which channel girls and women into occupations that will be in demand in the next ten years?

CONCLUSION:

The National Commission on Working Women is grateful for the opportunity to bring these important questions before this Committee. It is our hope that future human resource policy will reflect a new sensitivity to the problems of pink and blue collar working women shared with you today. It is our belief that when decision makers understand the problems and the sense of urgency emanating from the grassroots level, solutions can be designed which will truly create change.

Thank you.

Statement by Willard Wirtz, Member of the National Commission on Working Women, before the Senate Committee on Human Resources, Washington, D.C.

January 31, 1979

Mr. Chairman and members of the Committee:

My appearance here today is as another member of the National Commission on Working Women. It is an unfortunate consequence from the Committee's standpoint, and the Commission's, of a conflicting commitment which precludes the participation in this hearing of Commission Chair Elizabeth Koontz, who is giving so much of herself and accomplishing so much in promoting the purposes you are pursuing.

It has been suggested that I summarize what my four colleagues on the National Commission on Working Women have said to you. That would be a mistake. The most critical question in this area is how the authentic voices of 33 million people like Day Creamer, Helen McKinnon, Betty Samora, and Bonnie Vaughn are going to get heard in a way that counts. Whatever the answer to that question may be, it is not by putting what they say into the words of those of us who think we share their convictions, but who also know that we lack dependable understanding -- not just because of maleness, but because we live in Washington, D.C., are well paid professionals, and have let ourselves get conditioned to accepting the world and the country and people through the always distorting, often opaque, looking glass of statistics.

I should like, instead, to talk about this communication gap. The clearest instruction from the 18 months of the NCWW's operation is that so far as the situation of working women is concerned, especially that of "the 80%" we are talking about today, ideas aren't getting through. The democracy seems to have here both a speech defect and a bad ear. So I am going to try to describe very briefly what we have learned in this year and a half about this problem and what we are trying to do about it, and then make what may seem a very small suggestion.

Joan Goodin, Executive Director of the NCWW, has already reported to you on the Commission's principal effort to meet this problem. Each of the five regional meetings arranged by the NCWW has brought together 150 to 200 women who are in occupations most likely to be lower paid, to have inadequate fringe benefits, to offer few avenues of promotion, and to be performed by women. These clerical, sales, service, factory and craft workers have spoken out at these meetings with unmistakable authority. And they have not only been heard, they have been listened to -- by staff and members of the NCWW, by those who came to these regional meetings from corporations, labor unions, schools, federal and state and local agencies and by the local communities at large, for these regional meetings have attracted extraordinary media coverage. Beyond talking and listening, there has been new understanding, and in some cases, the taking of new steps toward solutions.

Partly as a by-product of these regional meetings, but also as a consequence of other activities, the Commission has developed an active correspondence -- on almost a personal basis -- with what are now over a thousand women around the country. We don't initiate these exchanges, but we do read and listen, and we do respond as fully as our facilities permit. Some typical excerpts from a few of these letters are attached to this statement. Here again, it would mute or diminish their message to presume to summarize them. The Committee members will read them, knowing the importance to democracy's process that those who have written these letters will know that you have read them.

The NCWW has pursued this communication purpose further by developing a questionnaire which was included in the September, 1978 issue of eight national women's magazines and a number of labor union publications. While the 150,000 women who responded to this questionnaire are not a scientific sample of all women, they represent a large number who had the desire to respond to the questionnaire and in many cases wrote letters to elaborate on their responses. Tabulations have been completed for about 42,000 of these questionnaires (referred to as "the magazine survey"). We have also studied the very recently completed Quality of Employment Survey, conducted by the University of Michigan's Institute for Social Research (referred to as "the ISR survey").

In these few minutes, I can only try to suggest what emerge as the major messages contained in this mountain of information from the regional meetings, from the Commission's correspondence, from the preliminary data on the magazine survey, and in the ISR survey.

One has to do with the job itself. Expansion of the service sector, combined with a history of sex stereotyping in assigning jobs among men and women, has herded women into look-alike jobs, behind typewriters, in front of file cabinets, over sales counters, or beside others with nimble fingers assembling small electronic gadgets. And there they stay. Among those who have had any problems with their jobs, six of every ten women in the 80% name lack of opportunity to advance as a problem. When she was interviewed for a slide presentation the NCWW has developed, Ms. Tina Lunson put it with simple eloquence: "I've never had any trouble getting a job, just getting ahead".

The same thing gets said a lot of different ways. Early returns from the magazine survey find four out of every ten workers in "the 80%" saying their jobs don't use the skills they already have. Nearly half of them say they have no chance to train for a better job. Three out of ten report a lack of counseling about alternative job opportunity and training. The failure to advance, coupled with cultural indoctrination about women's occupational capabilities, results in one out of four saying they lack the self-confidence to get ahead.

You realize from these answers and letters what should have been clear before, but someway didn't sink in: that for a great many women, taking a job outside the home isn't a matter of substituting one kind of work for another; what it means is double duty -- moonlighting, or perhaps "star-lighting" except that this sounds better than it is. Only 14% of women in the ISR survey report that job and family life don't interfere with each other. Among the

44% of married working women, only 5% report the husband's spending as much as 3 1/2 hours a day on home chores. If limited opportunities on the new job away from home are part of the problem, the rest of it is the unchanging or only slowly changing "terms and conditions" of the job at home. When all the old duties still have to be performed, body and mind sag under the double burden. (If I may interject a personal note here, Mr. Chairman, it would be to point out how we color and distort our thinking about this situation by using the term "working women" to include only those who work *outside the home*. This usage conceals the "double duty" fact.)

The double duty has double disadvantages. It means, according to the preliminary data on the magazine survey, that 39% of the women working both at home and outside report no time to pursue their education; 50% of those in clerical, sales and blue collar jobs ("the 80%") say they have no time for leisure. The other part of it is, that when the home duty *is* lightened, there is often a persistent hangover of doubt as to whether it should have been. A nurse's aid in Denver sums it up: "It's hard not to feel bad about what you can't do for your family".

For women with young children, the responsibility for their care is particularly hard to deal with. Even among those mothers now working, presumably having made *some* arrangements for the children's care, almost three out of ten in the magazine survey say they still have to work out better child care arrangements. Data now being tabulated indicate that the figure will be much higher for women who are not working outside the home, but who want to. The ISR survey confirms what is general knowledge, but nonetheless sobering: when parents, both of whom are working, come to a day when one of them must stay home from work to take care of the children it will be the wife in four cases out of every five.

* * *

There is time here only to suggest briefly the three different types of messages that come through from these various sources of information -- regional dialogues, correspondence, broader surveys.

These implications include the importance of equal pay, equal opportunity, more adequate child care provisions, and a dozen other specifics.

They include, at another level, the importance of fuller realization that most of these aren't just "women's problems", presenting "women's issues", but are rather human problems in which women and men have -- or ought to have -- equal stakes. Any assumption that adequate provision for children's care is less important to fathers than to mothers only makes you want to get that fallacy out of our thinking and our system as fast as possible. It is only part of this point that there are growing numbers of children in homes with only a father present.

Men's jobs and employment are going to be affected strongly by any large-scale change in the shape of women's employment opportunities. The fact that a large number of women are locked into a broad lower band of jobs in terms of pay, advancement, and fringe benefits is a comment on the forces in the economy that generate such large numbers of such jobs. Looking at the question of how they are to be distributed between men and women only leads into the underlying problem of how to upgrade these jobs on a large-scale basis.

272

It is already emerging that the demand for equal pay for equal work (which may be a "women's issue") is a preface to insistence on comparable pay for work of comparable value (which is not).

The current agenda of what are being talked about as women's problems is actually an agenda of human concerns that it is high time we put in the first place instead of someplace else on down the line.

As I have indicated earlier, however, our strongest shared feeling on the National Commission is that the underlying message here is that democracy's essential policy-making process just isn't working effectively yet in this area -- so that while there is unquestionably a new national purpose to "do something about women's rights", no sufficient consensus has developed yet about what the right and sufficient answers are -- or even what the real root problems are. This is especially true with respect to "the 80%". It isn't just a matter of remedies to be propounded by government, for these problems are embedded in the dynamics of private institutions and in the inertial forces that affect people's thinking. There wouldn't be agreement about how another $10 billion should be spent in this area even if the Congress were willing to appropriate such a sum, which it isn't.

This is not a counsel of despair or delay. Someone said at one of these grass roots regional meetings that "this is like a young maple just breaking through the ground. You see only a little, but enough to promise what, with proper care, is to come". What was said at those meetings made sense, and it was said without rancor. There is manifest willingness to listen -- if someone else will, too. There are all the makings of constructive accord.

But there has got to be some better way developed of giving effective expression — and providing effective hearing — to these voices.

The only suggestion I can make is going to sound mockingly inadequate. Nevertheless, we feel from our experience that one of the best investments in this area right now would be to provide on a much broader basis the kind of forums and the communication pattern the NCWW has been experimenting with.

There are two key elements. One is meetings at the local community level in which there is broad participation by working women themselves, with meaningful participation, too, by those who can respond to their constructive proposals through concrete action. Where we have held five such meetings in the past year, there should be 500 in the next three years.

The other key element is a central group, within the private sector, in which a true and honest and full partnership is developed between people such as the four you have heard here today and others who can be effective links to the established agencies of responsible community and state and national action, public and private alike.

The NCWW has been enabled to carry out what is in effect a pilot project by a small but critically important grant from the National Institute of Education -- by relying on a small but totally dedicated staff -- and by drawing on what we have found to be gratifying support sources available throughout the country. We estimate the cost of what we propose -- of the seed money which could be compounded many times over in a variety of ways -- at about $10 million.

There isn't time here for the detailed development of this suggestion which would give it more substance. We would welcome the opportunity to talk with the Committee staff about what we have in mind. (And if this should sound in any way self-serving so far as the Commission is concerned, that would have to be because we haven't been able here to convey the spirit that has inspired the NCWW.)

Once more, in closing, I note the realization that what has been said here risks the reaction that what is needed is not more talking but more doing. We all agree on this. We know at the same time that we face a job here of firming up a foundation in broad understanding and in consensus upon which we can build our hopes and even a dream or two. The problem is that we are dealing not with some new crisis that has developed suddenly, but with a serious flaw and fault which has been in our system and our thinking for so long that it is very hard to root it out. We are trying to change what we have always taken for granted.

So we have come here to say, before the legislature of the oldest, truest living democracy that our experience seems to us to commend this extension of the authentic American gamble: that if the right communication channels are established the right answers are going to come through them, that citizens can create the society they want. The women in this country who are working both at home and outside the home, especially "the 80%" who in some ways realize the smallest returns on their human investment in democracy's labors, want very much to have a chance to help prove this.

EXCERPTS OF LETTERS FROM WORKING WOMEN

"There is a definite lack of concern by my employer to expose minorities and women to other aspects of our industry. One must threaten to leave to get the kind of attention that leads to more competitive job skills. This is one tactic used to keep us in 'nowhere' positions. Career counseling should be a larger part of training. And above all, one needs to know when to change jobs, be it for money, responsibility, power, or just pleasure." (MASSACHUSETTS)

"I want to break out of my highly skilled but low paying job. I tried searching for other forms of employment I could handle but found that personnel directors would say, 'Well, you've been in that business for 8 years and that's really too long to make a break and try something new.' I have news for them. With 35 or more working years ahead of me, I DO intend to make a break. Personnel directors should change their attitudes. They might just find themselves with new, excited, interested workers, instead of the same old bored people who no longer put 100% into a job because they just don't care anymore." (CALIFORNIA)

Thoughts from a woman whose children are grown but who worked throughout their formative years ... "During my years as a working mother, I often wondered if the boys were all right. I wished so often there was some agency that would provide supervised play or activity between school closing and my return from work. Summers were difficult. There were structured activities but still much 'free' time. The constant, nagging worry didn't do much for my efficiency or disposition. I see this pattern being repeated in whole or in part in many areas of life today. One of my sons has custody and care of his four children. I think he, too, will be old before his time." (STATE UNKNOWN)

On the double standard existing in offices ... "I have been here 15 years and I am becoming more and more aware of the lowly status I have even though I run the whole office for the men. Like, (the men) take the afternoon off to play golf but I stay in the office because (they might need me); (The men) pick up the new car in the afternoon but (I) take a vacation day (to pick up mine). The problems the men have with their children and wives is also handled in a different manner. One employee lost more work because of his wife's drinking problem than I did when my husband died of cancer." (MICHIGAN)

"I am 26, mother of 2 children whom I have to leave to the care of my parents. Their father left me at 17, pregnant, without even a high school education. I still carry the dream that someday I'll make enough money to care for my children. I have had jobs turned down to me because I was very young and may remarry and have more children (I can't). I could write you a book on how distrusted young divorced women are." (TEXAS)

"I'm on sick leave from my job and my problems are directly related to (having to) work, run a household and care for children. I get only two weeks vacation and there are certain times when I must use vacation days for field trips at my children's school, sick children, parent-teacher conferences, school enrollment days, doctor's appointments for children, etc.; (many of my co-workers and I are) tired, don't have time to express ourselves, or time to be alone." (MICHIGAN)

Excerpts

"Can you enlighten me as to my rights as a part-time sales clerk in a department store? I object to the term 'flexible' when it comes to getting a job since the word seems to mean availability any time of the day or night, Sundays and holidays. No benefits are given. The store has had a 64% turnover of employees in the last year." (KENTUCKY)

"The area of education for women who are the head of their households is so lacking I could go on for pages, but (here are) a few points: 1. Because of the needs of their children, mothers who support families should be allowed financial aid for part-time schooling. 2. Trade schools and junior colleges should offer courses in the evenings which could be spread out to meet the needs of working mothers. 3. This country should someday realize that education pays off and should be willing to assist really motivated and capable students no matter what their family circumstances are." (FLORIDA)

"I have been out there - in the male world of corporate non-equality - and I have been at the kitchen sink. Both positions need realigning. Just let's make sure there is a 50% female voice in the new rules." (PENNSYLVANIA)

"I work two jobs, one full-time as a secretary and one part-time as a sales clerk. I work two jobs to help me and my husband get by. He works full-time and overtime when possible. We are paying two mortgages: my mother-in-law's and our own." (MARYLAND)

"I work in a private nursing home and have been there almost 11 years. I make $2.85 an hour (no benefits either). Talk about earnings gap!" (PENNSYLVANIA)

"...(the county) has not reclassified anyone in my unit since 1975. So here I sit, still making $4.79 an hour." (WISCONSIN)

"Oh! I hate interviewing! I'd rather go over Niagra Falls in a barrel. Women have to be taught from an early age that it's not wrong to SELL their strong points, or cover up their weak ones." (NEW YORK)

"I believe the principal problems women in the working world have are: 1. having to hold down 2 jobs, i.e. working for pay plus keeping a household running and caring for children; and 2. women are not given serious career counseling early enough for it to make any difference in what careers they choose. The greatest need is COUNSELING, COUNSELING AND MORE COUNSELING." (STATE UNKNOWN)

"Single parents like myself (experience) great frustration in not being able to advance because of educational deficiencies. I have tried to attend school at night while working full-time and raising my children, but have been forced to postpone my education until the time when my children are older. Without further education I cannot hope to progress to a more responsible job. I am representative of many divorced mothers in the 70's - enjoy working but find child care difficulties and impossibility of furthering my education definite drawbacks." (NEW YORK)

"The primary problem I find today is that employers are prejudiced against women over 35. I am very presentable, my qualifications are excellent, I am very conscientious, yet I have found, especially in the past several years, that many bosses today are that in name only--they are not qualified for their various positions. I find that the more I show what I am capable of doing, the more work is piled on me. That is being taken advantage of and what can one do about it?" (CALIFORNIA)

Excerpts

"I work full-time and love it. But I am now at an age when I have to decide about having children. I want them desparately. Yet I feel trapped. I would need to work for financial and professional reasons. How much easier it would be if child care facilities were available in or near (where I work)." (MARYLAND)

"I live in a small rural community. There is NO public transportation available. I am a widow with 5 children (and work). All government goodies are for children whose parent(s) are home to act as taxi drivers. Nothing after 5:30 or 6 pm for children or myself. My children suffer because I work to support them. The children on welfare get all the free things." (OKLAHOMA)

"A major need is before and after school care for early grade school years." (WISCONSIN)

"All my education did not prepare me for the pressures of 24-hour-a-day care of small children." (NEW YORK)

"What I want in a job: 1. challenge; 2. satisfaction of helping someone; 3. room to grow as a person and as a professional; 4. flexible enough hours not to make my family suffer; 5. recognition for what is done; 6. evaluation of how it is done." (NEW YORK)

"Why would (I) like a job outside the home? In my case, (it's) the fact that a job can provide far more than a salary: competition, achievement, praise -- no one is here writing up terrific evaluations on how well I change a diaper." (STATE UNKNOWN)

"Someday I'm in hopes our government will see fit to give people credit for their hours spent in volunteer work. It would encourage more of it and perhaps give people a chance to see just how it can improve their own lives as well as cheer up or bring joy to those they serve." (CALIFORNIA)

"Retirement income is a function of earnings (and) THIS is where the working woman is hurt. The day I stop working is the day that my home of 30 years goes on the market. It frightens me." (MASSACHUSETTS)

"Traveling time to reach my job (is my problem). It adds 4 to 5 hours a day to my 8 hour day. Limited flexitime has helped because we can leave a little before the rush hour begins. However, if we could work our 40 hours in 4 days, one day's traveling time would be eliminated." (NEW YORK)

"I think I have a deep-seated fear of responsibility which interferes on some basic level with my development into more lucrative careers. The kind of self-confidence I lack is probably the same thing many women complain about: early childhood conditioning to stay home, to accept the guidance of others, leave decision making up to others, stay out of the lime-light, avoid being noticed by others." (STATE UNKNOWN)

"After a 28 year marriage, my husband wanted out, and I returned to the world of work, outside the home. Well, from being 'just a housewife,' I became 'just' the matron for the police department, then 'just' a clerk and today I am 'just' the receptionist, and 'just' the mail girl. One day I shall write a book about being 'just.' I am a little people, but I know that I am needed and do a very good job." (CALIFORNIA)

Ms. **Goodin**. Just a few words of background, and I do have a statement which has already been presented to you.

The National Commission on Working Women is a nongovernmental body, funded principally by the National Institute of Education (HEW), with special project funds from private foundations, corporations, and unions. So it is a great combination of funding. Also, the commission members are corporate executives, labor union, people from the media, the Congress and very importantly, from the grassroots. Real working women. The Chair of our commission is Elizabeth Duncan Koontz, who at one time was the Director of Labor Women's Bureau.

The Department of Labor has focused on what we call the 80 percent, and I was talking with women from your State, Senator.

Senator **Pell**. Could you move a little closer to the microphone?

Ms. **Goodin**. I am sorry. The 80 percent actually is shorthand for women in the paid labor force who are in clerical, sales, service, factory and plant jobs. These are the lower paying dead end kinds of jobs. So it is that population that we would like to draw your attention to in terms of the Higher Education Act.

We were delighted when we were here for the hearings on women, and talking with some of our grassroots commissioners, to hear Senator Harrison Williams, the distinguished chairman of the full Senate committee, say "the EEOC has not enforced such important and necessary comparable work principles." This was part of a discussion of pay equity, and so forth. He continued to say that, "I hope that now we will be able to build a body of persuasive opinion and impression and experience that can breakthrough and implement that kind of comparability test in the equal pay area."

Now, I mention that only to say that as part of our outreach effort we have held regional dialogs with these working women all over the country. We have also conducted a national survey of working women, which resulted in 150,000 responses, accompanied by several thousand letters. We have, as a result, identified four major areas of concern.

One is pay. The reason we are here today has to do with the question of education and training. The women are very aware that this is a great need that they have as yet unmet altogether. It is this concern which, as I say, brings us here today. It is perhaps partly the fault of a society which still does not recognize the female work force as permanent, that women find themselves in a struggle to gain access to the skill, training and education that will result in personal growth and advancement on the job.

The old saying, women have jobs, and men have careers, still, unfortunately, describes societal attitudes toward women's work.

I want to just mention one of the letters that came in with our questionnaires. The woman said:

> I found myself faced with many problems dealing with further education. I have reached the conclusion that if a woman is not given a chance to prove herself on the job and seek advancement in that field, then is there really any room for a working woman to continue to strive for her goal?

That is the dilemma that many of these women find themselves in.

Of the 150,000 responses to our survey, with regard to the questions concerning potential problems, 46 percent—and that should be corrected in the original statement—46 percent of the women in the 80 percent responded that they had no chance to train for a better job; 40 percent also said that they had no time to continue their education. It is the whole question of the double burden, the work that women must do at home, as well as on the job, that leaves them very lacking of time.

Now, the major points I want to address are in two parts. First, the systemic need. Women in the 80 percent must be recognized as a special needs constituency in the area of education, by educators, by employers, by union leaders, and by legislators.

Child care provisions must become standard to educational delivery systems policy.

There are some other concerns here about counseling, about all the programs outlined in the Higher Education Act, which are in the testimony, but I want to get to the second area of needs, and to say that, as Willard Wirtz brought out so vividly during the January hearings, with regard to women in the 80 percent, "democracy has a serious speech defect and a very bad ear." He considers that communication, or the lack of it, is at the base of the problem, and suggests that while the Federal Government should not be expected to fund the entire solution, it can "yeast" the process by stimulating collaborative efforts at the community level.

[The prepared statement of Ms. Goodin follows:]

Statement by Joan M. Goodin,
Executive Director
National Commission on Working Women
before the

SENATE SUBCOMMITTEE ON EDUCATION, ARTS, AND HUMANITIES

October 3, 1979

Mr. Chairman and Members of the Subcommittee:

I am Joan Goodin, Executive Director of the National Commission on Working Women whose secretariat, the Center for Women and Work, is a unit of the private, non-profit National Manpower Institute, headed by Willard Wirtz. Mr. Wirtz, who also serves on our Commission, regrets he could not be here today, but did testify before the full Committee during the hearings on "The Coming Decade: American Women and Human Resources Policies and Programs." I take this opportunity to ask that our testimony from those hearings be made a part of the record here.

The National Commission on Working Women is a nongovernmental body, funded principally by the National Institute of Education (HEW), with special project funds from private foundations, corporations, and unions. Our Chair is Elizabeth Duncan Koontz, former Director of the Department of Labor Women's Bureau, and currently Assistant State Superintendent of Public Instruction in North Carolina. The other 25 Commissioners are from business, labor, the education world, the media, the Congress and the grassroots. The inclusion of these sectors of society on the Commission was purposeful. It is our firm belief that until all of these key groups understand and become sensitive to a problem, solutions can neither be effectively designed nor successfully implemented.

The work of the Commission is focussed on the concerns of what we call "the 80%." This is shorthand for that approximate 80% of the female work force concentrated in low-paying, dead-end jobs in clerical occupations, service industries, retail stores, factories and plants. Unfortunately, the traditions of our society have supported a kind of second-class citizenship for these women workers. Conditions for women concentrated in these occupations with low wages and few opportunities for advancement have not been satisfactorily corrected by such legislation as the 1963 Equal Pay Act. Now, there is the question of Title VII of the Civil Rights Act, and the concept of equal pay for work of comparable value. Senator Harrison Williams, the distinguished Chair of the full Senate Committee on Labor and Human Resources commented in January 1979 at the Committee's hearings on women: "The EEOC has not enforced this important and necessary comparable work principle. I hope that now we will be able to build a body of persuasive opinion and impression and experience that can break through and implement that kind of comparability test in the equal pay area." It is both gratifying and encouraging to hear statements of that nature, especially at the level of a Senate Committee. Women in the 80% work mostly out of economic need. But, while pay equity is a highly desired goal, it is only one of the prime concerns expressed by this group.

Our Commission has met with and listened to literally hundreds of women across the entire country through a series of Regional Dialogues designed specifically for that purpose. As a result, we have been able to identify the major areas of concern to women in the 80%. They have told us that they lack personal support systems to even begin to go beyond coping with day-to-day life. They have told us that the double burden of job and family is too great for them to consider activities beyond the immediate needs of children, husband and boss. They have expressed frustration and distress over the lack of priority given to quality, affordable child care for working parents.

Another major concern to these pink and blue collar women workers is the lack of opportunities for further education and training. It is this concern which brings us here today. It is perhaps partly the fault of a society which still does not recognize the female workforce as permanent and integrated that women find it a struggle to gain access to the skill training and education that will result in personal growth and advancement on the job. The old saying, "women have jobs; men have careers," still unfortunately describes societal attitudes toward "women's work." Working women themselves, however, are now beginning to recognize that they will be working almost 27 years of their lives regardless of whether or not they have a family. They want and need to advance in their jobs, both with respect to responsibility and to wages. To do this, however, they need more educational opportunities.

Another way in which our Commission has studied the concerns of these women was through a National Survey which was published in eight national magazines and the labor press. 150,000 women responded; these responses have now been tabulated and analyzed. To questions concerning potential problems, 40% of the women in the 80% responded that they had no chance to train for a better job. Forty percent also said they had no time to continue their education. In an accompanying letter, a woman from Oil City, Pa. wrote, "...I have found myself faced with many problems dealing with...further education. I have reached the conclusion that if a woman is not given a chance to prove herself on the job and seek advancement in that field, then is there really any room for a working woman to continue to strive for her goal?"

This is the kind of situation in which women find themselves. To escape the low wages and status of their present jobs, they must somehow overcome the burden of having little time left over after their paid and unpaid work is done, having no extra financial resources, and a third and very serious barrier, no information or counseling to guide them toward some solution to the problems.

The National Advisory Council on Women's Educational Programs studied the needs of women in the 80% by "piggybacking" on our Regional Dialogues. The Council is about to publish a report of its findings in a document titled "Working Women Speak." One of the Council's recommendations, addressed to the Departments of Labor and HEW, is that those agencies "undertake a joint effort to provide funds and technical assistance, under existing legislation, to augment local counseling services for women, within both educational and community settings. Such programs must offer information and assistance concerning the job market, non-traditional occupations, education and training opportunities, financial aid possibilities, child care and other supportive resources, and individual goal-setting and career planning." With your permission, Mr. Chairman, I should like to request that the record be left open in order to include the full report of the Council. I understand it is due from the Government Printing Office around October 15. As stated, the report is entitled "Working Women Speak."

Our Commission believes there are two major areas that must be addressed if we are to successfully resolve the educational needs of women in the 80%:

1. The systemic need

- Women in the 80% must be recognized as a "special needs" constituency in the area of education - by educators, by employers, by union leaders, and by legislators.
- Child care provisions must become standard to educational delivery systems policy.
- Counsellors and guidance personnel must become broadly sensitized to gender-based stereotyping, as well as sex bias in employment and education programs, and be alert to the low self-esteem and motivation of the women workers who have developed attitudes and behaviors within such a system.
- We believe it is important that all of the programs outlined in the Higher Education Act serve the needs of women in the 80%. Therefore, we believe that the renewal evaluation reports and the annual evaluation reports (required by Sections 417 & 418 of the General Education Provisions Act) should require information about how effectively these programs are serving women - particularly working women. While we are here today testifying mainly about Title I of the Act, we want to emphasize that if higher education is to meet the needs of the 80%, every Title of the

Statute will have to address these concerns. For example, the way in which needs are analyzed for student financial aid, and the support services provided in Trio and other programs should be carefully drawn to encourage these women to pursue higher education. While the largest portion of the Act goes to student financial aid provisions, many of the women in the 80% who are eligible for substantial student assistance have no ready access to information about what assistance is available or how to apply. We believe a special consumer information program should be undertaken to reach these women.

- All educational strategies for improving the conditions of women in the work force must be based on a realistic assessment of the labor market trends for the 1980's and beyond (e.g., the technological assault on clerical work may change personnel needs in that female-intensive occupation.)

2. Personal needs, including financial supports

As Willard Wirtz brought out so vivedly during the January hearings, with regard to women in the 80%,"democracy has a serious speech defect and a very bad ear." He considers that communication (or the lack of it) is at the base of the problem, and suggests that while the Federal Government should not be expected to fund the entire solution, it can "yeast" the process by stimulating collaborative efforts at the community level. In that regard, we would like to see the establishment of community educational resource centers, working in concert with a state or local entity similar to our Commission (e.g., with officials from business, labor, education, state/local government, and working women). Incentives could also be provided so that educational institutions could avail themselves of the expertise developed by organizations dealing with women in the 80% as a special population.

In essence, Mr. Chairman, we see the experience of our Commission as a worthy pilot test of a private sector approach to enlisting the best efforts of institutions and localities in resolving problems connected with the educational needs of women in the 80%. It is meeting with success. We believe that this kind of effort should be put on a systematic basis, so that such private sector efforts can be spread to all States and Communities. In that regard, I take this opportunity to offer the assistance of the National Commission on Working Women as a resource. We would like to be helpful in any way possible. We would be delighted to work with your staff in developing appropriate language or, in general, to think through the various facets of this important legislation in light of our findings on women in the 80%.

Thank you for this opportunity to communicate our point of view.

Senator **Pell**. Thank you. I am sorry that the bell moves that way, but that is our fate.

All right, who is next?

Senator **Stafford**. I hope nobody is diverted by the Senate's water program that seems to be going on over there.

Dr. **Farley**. Mr. Chairman and members of the subcommittee, I am Eileen Farley, president of Bristol Community College in Fall River, Mass. and a member of the American Association of Community and Junior Colleges Commission on Governmental Affairs. I am pleased to present the views of the American Association of Community and Junior Colleges, an organization representing this Nation's 1,200 2-year colleges which collectively enroll over 4.3 million credit students.

The growth of community and junior colleges has been the most significant educational phenomenon over the past two decades. Today community and junior colleges enroll one out of every two freshmen students and about 40 percent of all undergraduate students. Students at 2-year colleges, however, tend to enroll part-time and tend to be older than their counterparts attending 4-year colleges. The average age among community and junior college students is 30 nationally, and 35 for women students. In addition, about 60 percent of the community college students are enrolled in vocational—technical curricula.

Many of our students are bilingual, and about 59 percent of all recipients of Pell grants at community and junior colleges are members of minority groups. I stress this, because I think it is important for the members of this subcommittee to understand why we in the community college movement sometimes advocate policies that are somewhat different from representatives of traditional collegiate interests.

Our experience tells us that the postsecondary education population is growing older, more part time and more desirous of learning experiences related to their career and lifetime goals.

The American Association of Community and Junior Colleges is very pleased with some of the provisions of H.R. 5192 that would treat independent and part-time students with more equity in the awarding of student assistance, including the Pell grants which we believe are the foundation of all Federal assistance. We hope the Senate will follow suit in its bill to include aid for less-than-half-time students under the supplemental educational opportunity grant program, the modifying of the half-cost provision in the Pell grants, which, unfortunately, harms the poorest of college students (those with zero family contribution) the most, and making the commuter allowance more reflective of reasonable costs occurred by students who must buy dollar-a-gallon gasoline to commute to class. We also like the House provision that would allow child care expenses to be reflected in a student's aid budget. This provision is especially important to the growing majority of community and junior college students who are women.

Important as complements to Federal student assistance, however, are the categorical grant programs in the Higher Education Act. Title I, the continuing education and community service provision, although small in funds, has been important to us at Bristol Community College. We have participated in a consortium with other postsecondary institutions in the Commonwealth of Massachusetts to provide programs for underserved adults. We understand, however, that the history of title I has been uneven nationally in allowing participation by community and junior colleges. In 11 States, where funds were not administered by the chief State planning office, community and junior colleges were bypassed completely. We, therefore, support provisions in the House bill which would require that States make efforts to insure equal treatment of applicants in the evaluation of grant proposals.

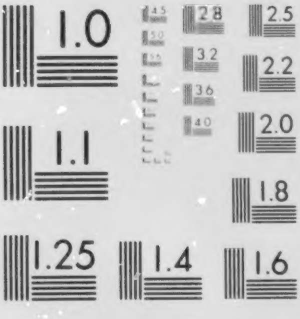
We are not wedded to the current provisions of title I and think that the changes made in the House bill to target the program to serve nontraditional and adult students is a desirable direction. We are somewhat concerned that information services might eat up too much of the State program budget in the House version, however. In our opinion, the very necessary information and counseling centers should receive 25 percent of the State program funds the first year, 20 percent the second year, and no more than 15 percent of the State program funds in the remaining years of the reauthorization. We feel that after the initial year, information and counseling centers should be well established and their ongoing operation should cost less. States, of course, would be free to increase their share of the funding to expand the information focus to the level desired by the State.

We are somewhat reluctant as well to use up to 20 percent of the title I appropriation for State planning. We recognize the necessity of State planning for postsecondary education, and welcome the emphasis placed on State planning for nontraditional postsecondary activities; however, we doubt the wisdom of using the title I appropriation to fund such activities.

Some of these costs could be borne by States themselves.

Another area of concern lies with the problem of eligibility to participate in title I programs. As mentioned earlier, the current program excludes participation by community and junior colleges in 11 States; however, the House bill permits grants to go to community-based organizations, business, industry and labor, as well as postsecondary educational institutions. A potential problem exists if community-based organizations are to award "college credit" when they are not licensed by the State to perform such activities. We think that title I language should clearly state that grants are to go to the nonprofit sector and contracts to the private sector.

[The prepared statement of Dr. Farley follows:]


1.0
4.5
5.0
5.6
2.8
3.2
3.6
4.0
2.5
2.2
2.0
1.1
1.8
1.25
1.4
1.6

MICROCOPY RESOLUTION TEST CHART

NATIONAL BUREAU OF STANDARDS 1963-A

Mr. Chairman and Members of the Subcommittee:

I am Eileen Farley, President of Bristol Community College in Fall River, Massachusetts, and a member of the American Association of Community and Junior Colleges Commission on Governmental Affairs. I am pleased to present the views of the American Association of Community and Junior Colleges, an organization representing this nation's 1200 two-year colleges which collectively enroll over 4.3 million credit students.

The growth of community and junior colleges has been the most significant educational phenomenon over the past two decades. Today community and junior colleges enroll one out of every two freshmen students and about forty percent of all undergraduate students. Students at two-year colleges, however, tend to enroll part-time and tend to be older than their counterparts attending four-year colleges. The average age among community and junior college students is now 30 nationally, and 35 for women students. In addition, about 60 percent of the community college students are enrolled in vocational-technical curricula.

Community and junior colleges are often called the "poor person's college." Indeed, many of our students come from families which are economically and/or culturally disadvantaged. Attachment A represents the best estimate of the racial characteristics of community and junior college students. According to data released by the AACJC, two-year colleges enroll about 40 percent of the full-time minority undergraduate students and about 91 percent of all the part-time minority undergraduate students. Many of our students are bilingual and about 59 percent of all recipients of Pell grants at community and junior colleges are members of minority groups.

I have gone into detail about the descriptive characteristics of community and junior college students because I think it is important for the members of this Subcommittee to understand why we in the community college movement sometimes advocate policies that are somewhat different from representatives of traditional collegiate interests. Our experience tells us that the postsecondary education population is growing older, more part-time and more desirous of learning experiences related to their career and lifetime goals. Data from the National Center for Education Statistics (Attachment B) indicate that the older, part-time students are also increasing in number at four-year public and independent colleges and universities as well. While the enrollment at two-year colleges is about 61 percent part-time, approximately 32 percent of the enrollment at four-year colleges is now part-time, and the part-time enrollment at universities is slightly less at 26 percent. Additionally, Attachment C developed from data supplied by the Bureau of the Census indicates that approximately 44 percent of all college students are heads of households and/or their spouses. Only 51 percent of all college students are 18-24 dependents, and yet so much of our higher education policy at the federal level has been predicated on the traditional college age, dependent student.

The American Association of Community and Junior Colleges is very pleased with some of the provisions of H.R. 5192 that would treat independent and part-time students with more equity in the awarding of student assistance, including the Pell grants which we believe are the foundation of all federal assistance. We hope the Senate will follow suit in its bill to include aid for less-than-half-time students under the Supplemental Educational Opportunity Grant program, the modifying of the half-cost provison in the Pell grants which, unfortunately, harms the poorest of college students (those with zero family contribution) the most, and making the commuter allowance more reflective of reasonable costs occurred by students who must buy dollar-a-gallon gasoline to commute to class. We also like the House provision that would allow child care expenses to be reflected in a student's aid budget. This provision is especially important to the growing majority of community and junior college students who are women.

Important as complements to federal student assistance, however, are the categorical grant programs in the Higher Education Act. Title I, the Continuing Education and Community Service provision, although small in funds, has been important to us at Bristol Community College. We have participated in a consortium with other postsecondary institutions in the Commonwealth of Massachusetts to provide programs for underserved adults. We understand, however, that the history of Title I has been uneven nationally in allowing participation by community and junior colleges. In eleven states, where funds were not administered by the chief state planning office, community and junior colleges were by-passed completely. We, therefore, support provisions in the House bill which would require that states make efforts to ensure equal treatment of applicants in the evaluation of grant proposals.

We are not wedded to the current provisions of Title I and think that the changes made in the House bill to target the program to serve nontraditional and adult students is a desirable direction. We are somewhat concerned that information services might eat up too much of the state program budget in the House version, however. In our opinion, the very necessary information and counseling centers should receive 25 percent of the state program funds the first year, 20 percent the second year, and no more than 15 percent of the state program funds in the remaining years of the reauthorization. We feel that after the initial year, information and counseling centers should be well established and their ongoing operation should cost less. States, of course, would be free to increase their share of the funding to expand the information focus to the level desired by the state.

We are somewhat reluctant as well to use up to twenty percent of the Title I appropriation for state planning. We recognize the necessity of state planning for postsecondary education and welcome the emphasis placed on state planning for nontraditional postsecondary activities; however, we doubt the wisdom of using the Title I appropriation to fund such activities. We feel that state planning should have its own separate authorization and appropriation or that the set-aside for state planning should be related to some base funding amount and not a flat percentage of any future Title I appropriation.

The Administration also made some desirable recommendations for Title I. They propose a program of grants to colleges and universities (including community colleges) to assist in the solution of community problems. The Administration's proposal is somewhat similar to the Urban Grant Title (Title XI of H.R. 5192), except that all postsecondary educational institutions, not just research universities, would be eligible to assist their communities, whether they be urban, rural or suburban. Community and junior colleges have a strong tradition in helping their communities and municipal governments in the solving of local problems. In the city of San Francisco, for example, community and junior colleges contract with the city government to train municipal workers and to up-grade their skills. We affirm that research universitites have no monopoly on providing service to their communities.

Another area of concern lies with the problem of eligibility to participate in Title I programs. As mentioned earlier, the current program excludes participation by community and junior colleges in eleven states; however, the House bill permits grants to go to community-based organizations, business, industry and labor, as well as postsecondary educational institutions. A potential problem exists if community-based organizations are to award "college credit" when they are not licensed by the state to perform such activities. We think that Title I language should clearly state that grants are to go to the non-profit sector and contracts to the private sector. While we have no problem with non-postsecondary educational institutions providing information and counseling services, and offering continuing education courses, we feel that such entities should form arrangements with postsecondary educational institutions to award any academic credit.

We support the continuation of the National Advisory Council on Extension and Continuing Education, and think that it should be renamed the National Advisory Council on Education Outreach Programs. We would hope that the Advisory Council would help the Congress and Administration evaluate the success on any new Title I program whether, for instance, the state programs are indeed targeted on underserved adults, and whether the quality and scope of the instruction and support offered is "postsecondary" in nature. Activities authorized by the Higher Education Act should not be confused with those offered through the Adult Education Act, where the focus is clearly on helping adults obtain the equivalent of elementary and secondary educations. The American Association of Community and Junior Colleges would hope that the Senate would preserve the post-high school nature of programs authorized by the Higher Education Act, although we support services, including remediation in reading, writing and mathematics, to help adults persist in their postsecondary educational careers.

One of the worst problems of community and junior colleges is the retention of students who aspire to postsecondary education, but who lack the basic skills to stay in school. Many of these students have high school diplomas, but have been failed by their secondary schools. They need support services to be retained in school, but because they are older than 19 or attend part-time are largely bypassed by the existing TRIO programs. Our experience tells us that very few adults are served by the federal TRIO programs, yet their need for such programs is considerable. Since many of these students are parents themselves, their frustration in meeting the academic standards of their postsecondary institutions and their loss of self-confidence when they fail are transmitted negatively to their offspring.

We, therefore, suggest that the RETENTION OF NONTRADITIONAL STUDENTS be made more of a focus in Title I than is currently the case in P.L. 94-482 or is proposed by the Administration or in the House bill, H.R. 5192.

Although my comments today were to be mainly on Title I of the Higher Education Act, I feel it is important to discuss other related titles. The American Association of Community and Junior Colleges strongly endorses the concept of a "floor" rather than a "ceiling" set-aside for two-year colleges in Title III, Aid to Developing Institutions. As mentioned earlier, many of the students served by community and junior colleges are low-income and minority group members, yet two-year colleges have had a difficult funding history in Office of Education programs. Unfortunately, there seems to be a bias operating against two-year colleges - that somehow our programs are less "good," less "desirable," and less"deserving" of receiving federal funds. We feel that removal of the two-year college set-aside would be disastrous for two-year colleges. The changing of the set-aside to a floor rather than a ceiling acknowledges the "right" of two-year colleges to participate in the Title III,program at the same time allowing for a reasonable competition among all kinds of institutions. If the set-aside were removed, two-year colleges, however deserving, would have a difficult time competing, since under the newly approved regulations, eligibility to participate is determined by points acquired on two criteria: (1) the average BEOG award per FTE and (2) the average general fund expenditure per FTE.

Since many community and junior college students attend part-time and since equity for independent students is a rather new concept in need analysis, the average BEOG per FTE at two-year colleges is artificially low. The half-cost limitation also contributes to a depressed average BEOG award per FTE. the set-aside for two-year colleges allows the more deserving colleges (determined by points on the two criteria) to compete against the entire pool of two-year colleges. Until inequities in the BEOG program against part-time and independent students and against those who attend low-tuition colleges are eliminated, a set-aside for two-year colleges must remain to ensure a reasonable participation rate by our sector.

Lastly, let me comment on the current Title X, the "Expansion of Community Colleges." We view deletion of Title X in the Administration's bill and in H.R. 5192 with much chagrin. No hearings were held on Title X on the House side, yet House members were confident that the community college sector would have little interest, given that the Title has failed to receive appropriations since its enactment in 1972. However, that is not the case. The AACJC has been bombarded with mail from our constituency that deletion of Title X in not acceptable to this nation's community and junior colleges. We ask that a community and junior college title be retained in the Higher Education Act and the American Association of Community and Junior Colleges pledges its help to work with staff to improve the current Title X and to make it a title for realistic funding. We would ask that the program authority in Title X be oriented to help community colleges educate and train the structurally unemployed and that the construction and planning sections from the title be deleted.

We also request that authority for the Community College Unit be retained. The Community College Unit assists public and independent two-year colleges sift through the maze of federal programs and regulations. It is a very valuable resource that the two-year college sector has grown dependent upon for guidance and referral. Retention of the Community College Unit is especially important to us in the wake of the creation of the Department of Education.

Thank you for this opportunity to present our views. I would be pleased to answer any questions you might have.

ATTACHMENT A

PERCENTAGE OF TOTAL POSTSECONDARY UNDERGRADUATE ENROLLMENT BY RACIAL CHARACTERISTICS, SEX, FULL-TIME AND PART-TIME ATTENDING TWO-YEAR COLLEGES IN 1976*

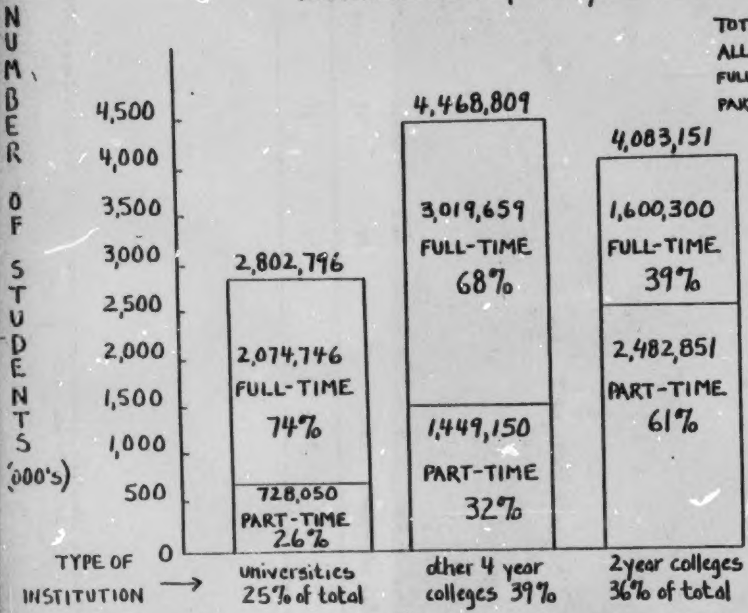
	Non-Res. Alien	Black	Amer. Indian or Alaskan Native	Asian	Hispanics	Minority Subtotals
Men						
Full-time	25	40	55	37	48	40
Part-time	74	97	99	99	65	87
Sub-total	34	56	72	57	54	54
Women						
Full-time	29	38	46	31	46	39
Part-time	79	97	99	95	95	96
Sub-total	43	58	70	53	64	59
All full-time	26	39	50	34	47	40
All part-time	76	97	99	97	79	91
Total	36	58	71	55	59	56

*Source: American Association of Community and Junior Colleges 1979 and HEGIS data 1976 and 1977

Figure II

Fall 1978 Enrollment in Higher Education by Student Status and Institutional Type

(Includes Graduate Enrollment; Excludes Vocational and Proprietary Students)



TOTAL ENROLLMENT
ALL INSTITUTIONS – 11,354,756
FULL TIME 6,694,705 ; 59%
PART TIME 4,660,051 ; 41%

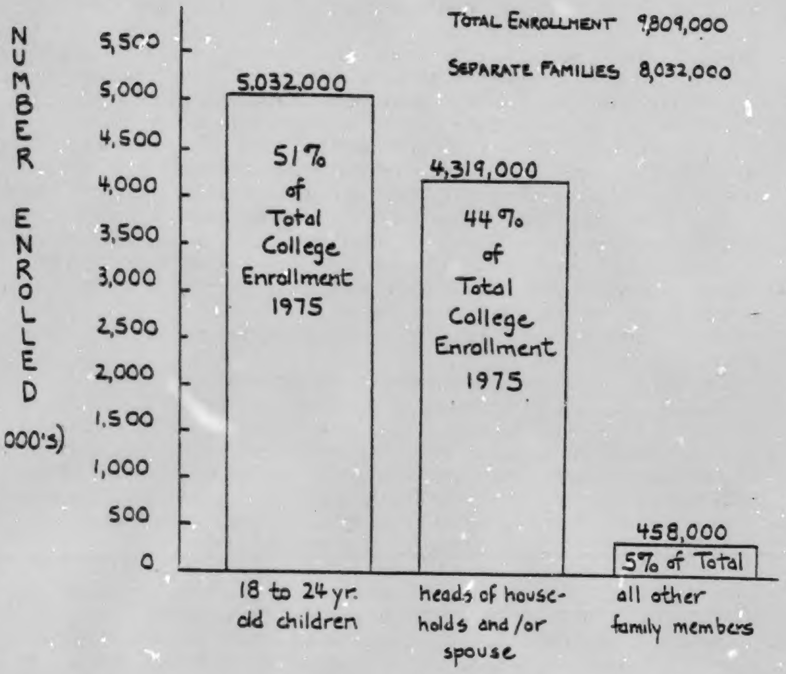
Source: National Center for Education Statistics, Preliminary Data, January 1979.

ATTACHMENT B

Figure I

ATTACHMENT C

Family Members Enrolled in Postsecondary Education by Kind - Spring 1976



Source: Bureau of the Census
Special Run for Sen. Moynihan, 1978

Senator PELL. Thank you very much, Doctor Farley.

Mr. Hutton?

Mr. HUTTON. My name is Carroll M. Hutton, I am the director of the Education Department of the International Union, United Auto Workers.

Senator PELL. Can you hear in the back of the room?

Mr. HUTTON. The American labor movement, of course, has long supported the cause of increased educational opportunities. As early as 1818, working men's parties were demanding free tax-supported schools. Since then, organized labor has continued to support public education by word, by resolution, and by action. Today, formal education has become a primary State function, and has helped make our society more democratic and more just. Education today has become the major route to social mobility.

Unfortunately, the benefits of education have not been accessible to all our citizens. Historically, educational programs have served the young who could devote their full time and attention to the pursuit of an education. Those who have been unable to follow this route have frequently found themselves denied access to further education, and thus barred from many occupational opportunities. Many disadvantaged adults today are now serving lifetime sentences of low income and unemployment because they were unable to take advantage of educational opportunities when they were young.

The need for increased educational opportunities for these disadvantaged adults is even more compelling because of the changes occurring in American society. The nature and pace of economic, technological, and social change require access to lifelong learning for all our citizens, but especially for those disadvantaged adults who have been historically underserved by our educational system.

We have learned, however, that more is required than to win through collective bargaining tuition refund benefits. This is reflected in the fact that less than 4 percent of the workers covered take advantage of these benefits. Much more needs to be done if we are to insure the promise which these benefits represent.

Certainly our colleges and universities must develop new and innovative programs which take into account the special needs and lifestyles of workers. This is especially true of our urban institutions. It is in our urban areas after all, where most of our members and their families live and work.

In Detroit, we have worked closely with Wayne State University in the development of a program specially designed to meet the educational needs of workers. This program, university studies and weekend college, is currently serving over 1,500 working adults—most of them union members, and with an average age of 37.

There are, I think, three important features to this program: Its delivery system, its curriculum, and its approach to student services. The delivery system enables workers to earn their bachelor's degree through a combination of TV courses, once-a-week workshops, and weekend conferences. The TV courses are shown at a variety of times so that workers can watch them at home, at their convenience. The workshops meet once a week at times and locations as convenient as possible for the students, At our UAW locals, for example, classes are scheduled around shift changes.

The curriculum takes a problem-oriented, interdisciplinary approach to issues directly relevant to the lives of working people. The social science curriculum, for example, is organized around such issues as culture, community and identity, work and labor, and conflict and social change.

Especially important to the success of this program has been its approach to student services. Counselors from the university work closely with local union officers to hold orientation and registration sessions right at the locals. Workers, then, are admitted to the university and registered for classes in their own union halls. Usually, they take their classes there as well.

The success of this program has demonstrated that it is possible to overcome many of the obstacles that have traditionally denied workers access to higher education.

The need for increased educational opportunities for workers is paralleled by the need for expanded opportunities in labor education. Many of the changes which have made lifelong learning imperative for our entire society have placed new and increased demands on union leadership. The complexity of contract language today places an ever increasing burden of responsibility upon the shop steward, committeeperson and local union officer charged with making the contract work. The education and training required for effective local union leadership has become an awesome challenge for all unions.

Especially important is the need to provide leadership training for women and minority members who are becoming an increasing part of the trade union membership. In Michigan, with title I assistance, we have been able to develop a statewide leadership training program for union minorities and women. Operated by a consortium of six Michigan universities and Michigan labor organizations, we hope this program will serve as a model for other States as well.

Thank you.

Senator PELL. Thank you very much, Mr. Hutton.

[The prepared statement of Mr. Hutton follows:]

HIGHER EDUCATION ACT, EDUCATION OUTREACH PROGRAMS

Statement of
CARROLL M. HUTTON, DIRECTOR
DEPARTMENT OF EDUCATION
INTERNATIONAL UNION, UAW

Before the Subcommittee on Education, Arts and Humanities
Committee on Labor and Human Resources

U.S. Senate
Washington, D.C.
October 3, 1979

Thank you for the opportunity to testify today on behalf of the "Higher Education Act, Education Outreach Programs." As you may know, it is an issue of great concern to the UAW, and to me personally.

The American Labor Movement, of course, has long supported the cause of increased educational opportunities. As early as 1828, working men's parties were demanding free tax supported schools. Since then, organized labor has continued to support public education by word, by resolution, and by action. Today, formal education has become a primary state function, and has helped make our society more democratic and more just. Education today has become the major route to social mobility.

Unfortunately, the benefits of education have not been accessible to all our citizens. Historically, educational programs have served the young who could devote their full time and attention to the pursuit of an education. Those who have been unable to follow this route have frequently found themselves denied access to further education, and thus barred from many occupational opportunities.

Many disadvantaged adults today are now serving lifetime sentences of low income and unemployment because they were unable to take advantage of educational opportunities when they were young.

The need for increased educational opportunities for these disadvantaged adults is even more compelling because of the changes occurring in American society. The nature and pace of economic, technological and social change require access to lifelong learning for all our citizens, but especially for those disadvantaged adults who have been historically underserved by our educational system.

Organized labor, representing over 22 million members, has long been concerned with reducing the many barriers to educational opportunity that affect many of our members. Many unions, for example, have negotiated tuition refund benefits for their members to help defray the high cost of education. Most UAW members are now entitled to $1,000 a year in tuition refund benefits. Nationwide, negotiated tuition aid benefits cover workers under 198 different plans. It has been estimated that more than $200,000,000 is potentially available for employee education benefits -- with the numbers covered by such contract clauses multiplying each year.

In the UAW, we believe that in future bargaining we will further improve our tuition refund program. We look forward, as well, to winning paid educational leave for our members. In Canada, as of June 5, 1979, 172 UAW collective bargaining agreements covering 44,338 members have paid educational leave provisions. We expect to

304

gain similar provisions for our members in the United States. We look forward to the day when all workers will have the right to paid educational leave.

We have learned, however, that more is required than to win tuition refund benefits. This is reflected in the fact that less than four percent of the workers covered take advantage of these benefits. Much more needs to be done if we are to insure the promise which these benefits represent.

Certainly our colleges and universities must develop new and innovative programs which take into account the special needs and lifestyles of workers. This is especially true of our urban institutions. It is in our urban areas, after all, where most of our members and their families live and work.

In Detroit, we have worked closely with Wayne State University in the development of a program specially designed to meet the educational needs of workers. This program, University Studies and Weekend College, is currently serving over 1,500 working adults -- most of them union members, and with an average age of 37.

There are, I think, three important features to this program: Its delivery system, its curriculum, and its approach to student services. The delivery system enables workers to earn their bachelor's degree through a combination of TV courses, once-a-week workshops, and weekend conferences. The TV courses are shown at a variety of times so that workers can watch them at home, at their convenience. The workshops meet once a week at times and locations as convenient as possible for the students. At our UAW locals, for example, classes are scheduled around shift changes.

The curriculum takes a problem-oriented, interdisciplinary approach to issues directly relevant to the lives of working people. The social science curriculum, for example, is organized around such issues as culture, community and identity, work and labor, and conflict and social change.

Especially important to the success of this program has been its approach to student services. Counselors from the university work closely with local union officers to hold orientation and registration sessions right at the locals. Workers, then, are admitted to the university and registered for classes in their own union halls. Usually, they take their classes there as well.

The success of this program has demonstrated that it is possible to overcome many of the obstacles that have traditionally denied workers access to higher education. We hope for similar results from our demonstration project with the College Board. With support from the U. S. Office of Career Education, we are attempting to see if the Swedish concept of "study organizer" can be adapted to the American setting. In Sweden, these union education recruiters/counselors have been extremely successful in increasing worker participation in adult education and training programs. We anticipate similar results in our experiment at Haggerstown, Maryland. Clearly, we need to support imaginative demonstration projects which will address the many barriers which have traditionally denied workers (and others) equal educational opportunities.

The need for increased educational opportunities for workers is paralleled by the need for expanded opportunities in labor education. Many of the changes which have made lifelong learning imperative for our entire society have placed new and increased demands on union leadership. The complexity of contract language today places an ever increasing burden of responsibility upon the shop steward, committeeperson and local union officer charged with making the contract work. The education and training required for effective local union leadership has become an awesome challenge for all unions.

UAW President Douglas A. Fraser described the problem in this way:

> "The role of a union leader is an enormously complicated and responsible one. It requires a deep understanding of the philosophy and the nature of the organized labor movement. And it requires knowledge and training in a great many fields.
>
> "In today's complex bargaining, a union leader needs at least a working knowledge of time study and job evaluation; of pension, health, and welfare plans, of economic data and how to interpret it; of preparing cases for arbitration. The leader needs to know something about labor law and its administration, and about the

307

operation of government agencies with which he or she must deal. The leader should be trained in organizing techniques, and in ways of teaching groups of workers who have traditionally considered themselves outside the labor movement.

"Union leaders need a thorough understanding of the operation and the politics of their democratic union, and of the necessity for actions taken by the union. As important as technical training and the so-called tool subjects are, they alone are not enough. There is a need for broader programs to develop greater understanding of how labor unions relate to the rest of our society, and of the trends which are working in that society. Technical proficiency alone is not enough."

Especially important is the need to provide leadership training for women and minority members who are becoming an increasing part of the trade union membership. In Michigan, with Title I assistance, we have been able to develop a statewide leadership training program for union minorities and women. Operated by a consortium of six Michigan universities and Michigan labor organizations, we hope this will serve as a model for other states as well.

Our experience in Michigan has confirmed the need for federal legislation supporting the expansion of labor education, training and technical assistance programs. As society grows more complex, the new generation of labor leaders must be educationally equipped to deal with the complexities of modern society and the increasing intricacy of trade union organization and administration.

Unfortunately, the expansion of labor education in the last decades has been small compared to rural extension programs and business education. This has been especially true in those "right-to-work" states where powerful interest groups have long opposed the right of workers to organize for decent wages and safe working conditions. Not surprisingly, labor education services have been meager or non-existent in these states. As recently as 1978 , the University of North Carolina was forced to cancel its plans for a labor education center because of opposition from groups opposed to the very existence of unions. Sadly, the rich promise of the Morrill Land Grant College Act of 1862 has remained just that when it comes to the educational needs of workers and their labor organizations.

Almost 200 years ago coal miners, weavers, and the earliest metal workers met in their Sunday schools in England to learn to read and write and count, so they could read the Bible to find their way to God and organize unions to find their way to economic justice. This concept was brought to our country.

Today, we must extend that education concept so we can make science and technology, and our vast industrial structures help us move into a democratic society where all the people, fully informed, with complete access to the entire culture, have equal voices in present political decisions, so that we have an equal opportunity to share in the future, its material benefits, its spiritual rewards, and its educational and cultural richness.

The Federal Government is on record in support of lifelong learning as a concept and as the right of every American. It is time to make this a right as well for those disadvantaged adults who have been prevented from obtaining equal educational opportunities. In the words of Vice President Walter Mondale,

> ". . . we must now return to the job of providing greater access to learning for all Americans, regardless of age or social and economic position."

Thank you, Mr. Chairman.

opeiu494/jmu
Rev. 9-27-79

Senator **Pell**. Ms. Goodin?

Ms. **Goodin**. May I ask one question?

As part of my testimony, I was inquiring and requesting that the record, if possible, be left open until about mid-October for the insertion of an important report from the National Advisory Council on Women's educational programs.

Senator **Pell**. Absolutely. The record will remain open longer than that.

[The following was received for the record:]

national advisory council on women's educational programs

Suite 821
1832 M St., N.W.
Washington, D.C. 20036
(202) 653-5846

October 24, 1979

Senator Claiborne Pell
Chairman
Subcommittee on Education, Arts and
the Humanities
4228 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Pell:

When Ms. Joan Goodin, Executive Director of the National Commission on Working Women, testified recently before your Subcommittee concerning Title I, she made reference to a new report published by the National Advisory Council on Women's Educational Programs. You graciously agreed to her request that this report be included in the record of the hearing. Therefore, I am pleased to send the enclosed copies to you for that purpose. If more copies should be needed, we will be glad to send them.

I hope that this report by the Advisory Council will be of interest to you and your staff, not only in connection with Title I of the Higher Education Act but in relation to your broader interests and concerns in the field of education. We believe that it contains a valuable combination of statistical information, human interest reports, and policy recommendations.

Sincerely,

Joy R. Simonson

Joy R. Simonson
Executive Director

Enclosures

JRS/km

Eliza M. Carney, Tempe AZ chair

Gladys Gunn, Dayton OH Vice-Chair

Marjorie Bell Chambers, Los Alamos NM
Agnes I. Chan, San Francisco CA
Sr. M. Isolina Ferre, Ponce PR
Elizabeth Z. Fryer, Nashville TN
Jon Fuller, Ann Arbor MI

EX OFFICIO MEMBERS

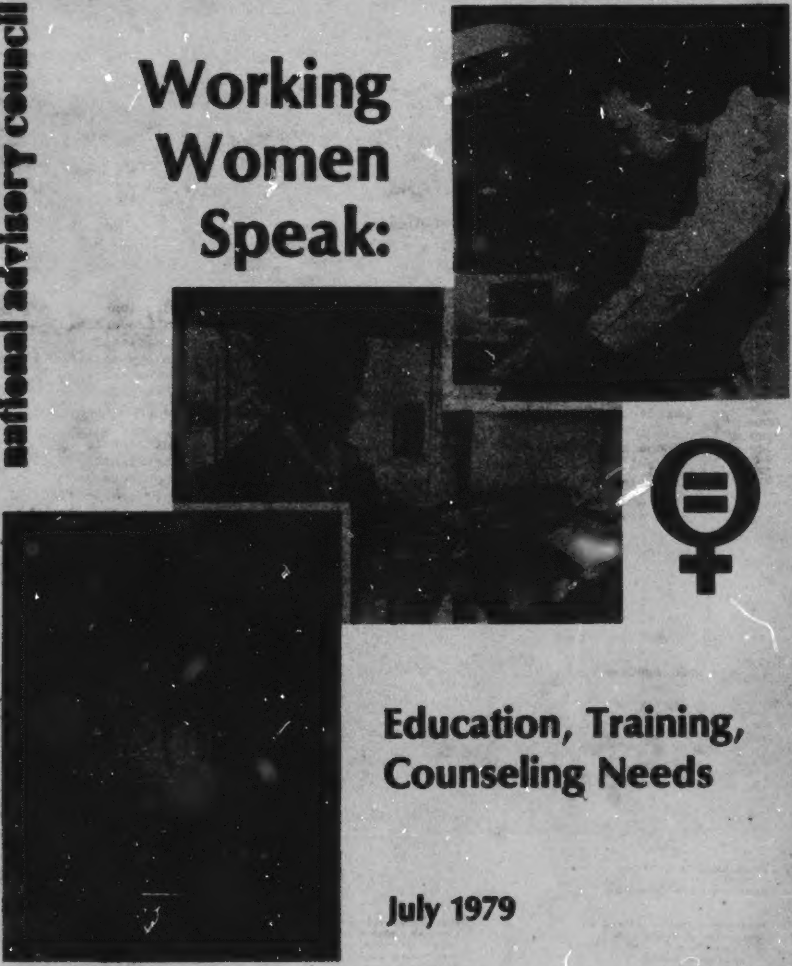
Ellen Hoffman, Washington D.C
Kathleen E. Humphrey, Durham NC
Thera C. Johnson, Ogden UT
Anne Doyle Levesque, Portsmouth RI
Paul Parks, Boston MA

Joy R. Simonson, Executive Director

Mary Beth Peters, Pittsburgh PA
J. Richard Rossie, Memphis TN
Bernice Sandler, Silver Spring MD
Marguerite Selden, Washington D.C
Susan Margaret Vance, Chicago IL

national advisory council on women's educational programs

Working Women Speak:



Education, Training, Counseling Needs

July 1979

[illegible]TIONAL ADVISORY COUNCIL ON WOMEN'S EDUCATIONAL PROGRAMS

Council Members

Chair: Eliza M. Carney
Tempe, Arizona

Marjorie Bell Chambers
Los Alamos, New Mexico

Agnes I. Chan
San Francisco, California

Sister M. Isolina Ferre
Ponce, Puerto Rico

Elizabeth Z. Fryer
Nashville, Tennessee

Jon Fuller
Ann Arbor, Michigan

Ellen Hoffman
Washington, D.C.

Kathleen E. Humphrey
Boise, Idaho

Thera A. Johnson
Ogden, Utah

Anna Doyle Levesque
Portsmouth, Rhode Island

Paul Parks
Boston, Massachusetts

Mary Beth Peters
Pittsburgh, Pennsylvania

Vice-Chair: Gladys Gunn
Dayton, Ohio

J. Richard Rossie
Memphis, Tennessee

Bernice Sandler
Washington, D.C.

Marguerite Selden
Washington, D.C.

Susan Margaret Vance
Chicago, Illinois

Ex Officio Members

Director
U.S. Commission on Civil Rights

Director
Women's Bureau
U.S. Department of Labor

Director
Women's Action Program
U.S. Department of Health,
Education, and Welfare

WORKING WOMEN SPEAK:

Education, Training, Counseling

A Report on Six Regional Dialogues Sponsored by
The National Commission on Working Women

Prepared for
The National Advisory Council
on
Women's Educational Programs

by

Cynthia Harrison

July, 1979

NOTE:

All statistical data in this report used to describe the female labor force come from publications of the Bureau of Labor Statistics, the National Center for Education Statistics, the Women's Bureau, Department of Labor or the National Commission on Working Women.

CONTENTS

PAGE

INTRODUCTION 1

BACKGROUND 2

- Working Women in Profile 2
- Educational Attainment 3
- Participation in Postsecondary Education 5

THE DIALOGUES 7

- National Commission on Working Women 7
- Activities 7
- The Questionnaire 9
- Problems and Recommendations 10
- Why Some "Solutions" Haven't Worked 19
- Conclusion 25

COUNCIL RECOMMENDATIONS 26

DEMURRAL 28

APPENDICES 29

- A Characteristics of Dialogue Participants 29
- B Questionnaire and Responses 31
- C National Commission on Working Women: Membership 40
- D Resources 41

INTRODUCTION

The National Advisory Council on Women's Educational Programs was established by Congress through the Women's Educational Equity Act to advise Federal officials on how to achieve educational equity for women. As the Council has carried out this mandate, it has examined the educational needs of a variety of special groups, including rural, Native American, black, and older women, displaced homemakers and single mothers.

The Council became increasingly aware of the plight of the eighty percent of working women who hold blue and pink collar (service work) jobs. Working women from every background repeatedly told the Council about the barriers they face in their struggle for upward mobility.

Four out of five American women who work outside the home hold low paying, low status positions. They work in service industries, clerical occupations, retail stores and factories. Opportunities for advancement are remote.

Education and training offer the possiblity of advancing into other kinds of positions, but often the women who need help most have least access to it.

As the Council was considering whether to conduct an independent investigation into the specific educational and training needs of "the eighty percent," a fortunate coincidence enabled it to join forces with the National Commission on Working Women in a significant and hopeful activity.

The National Commission on Working Women is a non-governmental organization created to concentrate attention on "the eighty percent."* In 1978, the Commission was holding a series of regional meetings or "Dialogues" with working women to explore and publicize their problems and needs. The Commission agreed that Council representatives should attend these meetings to gather information on the educational needs of working women. The Council and the Commission also jointly developed a questionnaire for participants, which the Commission distributed at the Dialogues. Observations of Council representatives at the Dialogues and data from the questionnaires make up the bulk of this report.

Elisa M. Carney

Elisa M. Carney
Council Chair

---

* For a more detailed explanation of the Commission's program, see page 7.

BACKGROUND

Working Women in Profile

- Secretaries and Clerical Workers

The largest group of working women (approximately 14 million or 42 percent of the female labor force) performs clerical duties.* They comprise 78 percent of all such workers. Over one-third of all working women who head families are employed in these jobs. Of the four million secretaries and typists, 98 percent are women.

Poor pay, lack of job security, inadequate opportunities for advancement and poor working conditions characterize these clerical positions. The income of women clerks has been falling in relation to their male counterparts: in 1956, the median income of women clerical workers was 72 percent that of male clerks; by 1962, this figure had dropped to 69 percent and in May, 1977, to 64 percent.

- Service Workers

Almost one-fifth (19.1 percent) of all women workers have service jobs. Service workers include private and industrial cleaning people; food servers, cooks, dishwashers, bartenders and waiters; health workers such as dental assistants, nursing aides, orderlies, practical nurses, and personal service providers such as child care attendants and hairdressers.

The largest group of women service workers are in food service; most of these are waitresses. Private household workers comprise 2.8 percent of working women and that is 97 percent of all who are employed in this field. (The number of women in private household work has decreased since 1960, possibly because fewer women have been willing to accept these low paying jobs. In 1975, the median wage of full-time, year-round household workers was $2,556.)

In 1977, women service workers earned 65 percent of the wages of men service workers.

- Factory Operatives

More than four million women (10.5 percent of all working women) work in factories. These jobs include assembling or inspecting goods, operating sewing machines and other equipment, packing, wrapping, laundering and dry cleaning.

---

* Unless otherwise noted, figures in this section are current as of February, 1979.

In 1977, these women earned 59 percent of the wages of their male counterparts.

- Saleswomen

Some 2.6 million working women (6.6 percent) hold sales jobs. The majority are in retail trade; the rest are largely in insurance and real estate, still overwhelmingly male-dominated fields. In 1977, full-time, year-round saleswomen earned 45 cents for every dollar earned by salesmen.

- Craft and Technical Workers

Only 1.8 percent of the female labor force (715,000 women) hold craft or similar jobs. About one-third of these women work in jobs closely related to homemaking skills, such as upholstering, decorating, baking and sewing. In 1974, women craft workers earned only 54 percent of the income of men in their field.

- Apprenticeship

Although apprenticeship is a key route to non-traditional craft jobs, in June, 1977, only two percent of apprentices were women. Sex discrimination, lack of preparation in high school due to sex stereotyping and age ceilings often bar women from apprenticeship programs.

In February, 1979, Wider Opportunities for Women, an advocacy group, criticized the Department of Labor for its lack of commitment to training programs for women. It pointed out that in fiscal year 1978, only 1.4 percent of the budget of DOL's Office of National Programs was spent on women's programs. At the same time, the Associated General contractors were notifying the Department of Labor that they would fail to comply with Departmental guidelines to expand the number of women in construction trades.

Affirmative action goals and efforts can increase the percentage of female apprentices dramatically. In Seattle, for example, a twelve percent goal for women in city financed construction projects was met easily in the first two years.

Participation of Working Women in Vocational Education

In 1976, young women had the highest participation rates of any group in vocational education.* For 18 to 21-year-olds, the number of women participating in vocational education per 1,000 greatly exceed that of men (43 compared to 33 for 18 to 19-year olds; 42 to 31 for 20 to 21-year olds). For women aged 22 to 34, however, the rate was considerably below that of men, possibly because of family responsibilities. For the age group 35 and over, women's participation rate was the same as men's.

---

* Unless otherwise noted, the figures in this section are current as of 1976.

Sixty percent of female students in vocational education programs held jobs, compared to 83 percent of male students. A large proportion of the women also ran households.

In fiscal year 1976, 910,811 women participated in adult basic and secondary programs.

In 1976, women earned 46.2 percent of all A.A. degrees.

Enrollment in vocational programs continues to be heavily sex stereotyped, despite recent changes in legislation and despite tremendous increases in the numbers enrolled in postsecondary vocational education institutions. The following table, based on Office of Education data, shows small, though encouraging, changes in the pattern of enrollment according to sex between 1972 and 1977.

PERCENTAGE DISTRIBUTION OF ENROLLMENTS IN VOCATIONAL EDUCATION BY SEX AND PROGRAM

	1972		1977	
	Female	Male	Female	Male
Health	84.7	15.3	78.8	21.2
Gainful home economics	86.1	13.9	83.9	16.1
Consumer homemaking	92.1	7.9	81.6	18.4
Office	76.4	23.6	75.1	24.9
Technical	9.8	90.2	17.0	83.0
Trade & industry	11.7	88.3	14.4	85.6
Vocational agriculture	5.4	94.6	14.8	85.2

Enrollment data show that women take 95 percent of health courses and 79 percent of business/commerial courses in vocational/technical schools. Men take 98 percent of the technical, industrial and trade subjects.

Of the 415 apprenticeable trades and crafts, only the barber/beautician trade has more women than men: 54.5 percent. In 1975, only 0.36 percent of all construction trades apprentices were women.

Use by women of negotiated tuition aid programs in the private sector has been minimal. Reasons for this include lack of information, discriminatory practices and, frequently, requirements that courses be directly related to improving performance in the employee's present job rather than providing skills for advancement.

Barriers to Participation in Postsecondary Education

Although women are more likely than men to finish high school, fewer continue their education. Except for programs such as nursing, beauty culture and clerical trades -- the traditional women's fields -- women are underrepresented in postsecondary schools, especially in those leading to degrees or certificates.

Five major sets of institutional factors tend to exclude women from eudcation beyond high school:*

- Admissions practices. These include sex quotas, age ceilings, limitations on part-time study and credit transfer, and attitudes of personnel.
- Financial aid practices. These include sex bias in awards, restriction of aid to full-time students, witholding of aid due to marital or parental status, inadequate plans for the deferral of payment, inadequate aid for childcare, insufficient employment opportunities for women students and differential charges for part-time study.
- Institutional regulations. These may concern residency and course load requirements, time limits and housing.
- Curriculum planning and student personnel services. These affect the location and scheduling of classes and the availability of external degree programs, part-time field work, counseling and childcare.
- Faculty and staff attitudes. These include the lack of encouragement or support for women, sex discrimination in job placement, sex stereotyping and the absence of female role models.

The lack of childcare is among the most important institutional problems facing women who wish to continue their education. Few educational institutions offer the kind of childcare services that can help mothers pursue further education and training. In 1977, the Center for Women's Opportunities at the American Association of Community and Junior Colleges surveyed 1,200 two year and technical institutions and found only 132 with child care facilities on campus. According to a recent informal survey by child care advocates, fewer than 100 of the 1,900 four year institutions have developed child care facilities for students. Most of the facilities are located at teacher education or early childhood development programs or laboratories. Waiting lists frequently are long.

---

* This material is based on National Center for Education Statistics report #NCES 75-407, Barriers to Women's Participation in Postsecondary Education: A review of research and commentary as of 1973-74, by Esther Manning Westervelt.

[redacted]

THE DIALOGUES

National Commission on Working Women

The National Commission on Working Women was created to focus on the needs and concerns of the 80 percent of women in the workforce who are concentrated in low-paying, low-status jobs. Commission members include women and men representing business, labor, Congress, media, academia and working women women themselves. The Center for Women and Work serves as the secretariat for the NCWW, implementing the Commission's programs and serving as a clearinghouse for ideas, information and research related to women in the workforce.

The Center is a separate unit within the National Manpower Institute, a private, nonprofit organization. A grant from the National Institute of Education (Department of Health, Education, and Welfare) provides major funding, and there are special project funds from the Ford Foundation, the Rockefeller Family Fund and private corporations.

The National Commission on Working Women hopes to help women in the 80 percent by exploring and publicizing their problems, needs and goals through regional meetings, proposing innovative programs and developing policy recommendations to improve the status of women in the workforce.

Activities

The centerpiece of the first year of the Commission's work was a series of regional meetings to bring working women together. These "Dialogues" were held in 1978 in Seattle, Washington (May 6), Denver, Colorado (June 3), Madison, Wisconsin (June 24), and Nashville, Tennessee (July 15). During the Commission's second year, 1979, meetings were held in Baltimore, Maryland (January 20) and Albany, New York (April 21). Each Dialogue was co-sponsored by an educational institution or a women's commission in the host state.

The meetings were invitational. NCWW and the co-sponsoring bodies sought the assistance of national, state and local groups in order to find potential delegates and each meeting drew several hundred applications. The co-sponsoring group chose the women from their city and state, while the NCWW selected delegates from other states in the area.

One hundred fifty women were invited from each region comprising eight to eleven states. The delegates were all currently employed in clerical, service, retail sales, operative or craft categories. Selection took into account age, race and union membership in order to achieve a heterogeneous group that would reflect the composition of "the eighty percent." Those delegates who could not otherwise afford to attend received full financial assistance, provided by a special grant from the Rockefeller Family Fund.

Seven hundred thirty women attended the six meetings. Sixty percent of the delegates were white, compared with 86.6 percent of the female labor force as a whole; minority representation at these meetings was heavy. This group was unusual also in that almost 43 percent of the participants belonged to unions, compared with only eleven percent of working women in general. In age, 14.9 percent were under 25 and 8.9 percent were over 56. The occupational breakdown showed some differences when compared with the universe of non-professional women workers:

OCCUPATION	PERCENT OF DELEGATES	PERCENT OF NON-PROFESSIONAL WOMEN WORKERS
clerical	56.7%	40.0%
service	21.2%	26.5%
factory	13.0%	14.9%
sales	4.2%	8.8%
craft/technical	4.0%	2.4%

For the National Commission on Working Women, the goal of the Dialogues was to listen to women in "the eighty percent," to talk to them about the Commission and its goals, to allow workers to meet with decision makers in an unthreatening environment and to allow women to share with each other both negative and positive aspects of their work lives.

NCWW Chair Elizabeth Duncan Koontz opened each Dialogue with a call to working women to organize for change. Then the Commission presented the NCWW slide show, "It's About Time," which illustrates many of the problems of working women. Afterward, the delegates separated into ten small groups. They spent the next two or three hours together (with a facilitator and recorder in each group), discussing and documenting the problems of working women and proposing possible solutions.

The mid-day break included a luncheon and talks by national and state leaders. The afternoon was devoted to a dialogue with a panel of decision makers selected to reflect the composition of the Commission: business, labor, academia, state government and media.

(The Albany panel, for example, included a vice-president of Cornell University, the Secretary of State of Connecticut, a vice-president of Columbia Broadcasting System, a New York State Industrial Commissioner and the head of the New Jersey State Employees Association. The Seattle panel comprised a vice president of Northwestern Bell Telephone Company, an AFL-CIO officer, a television newswoman, the Director of Equal Opportunity for the Weyerhauser Corporation and a director of affirmative action at the University of Washington.)

Each workshop synthesized the problems and solutions it had discussed, and the panelists added their views. The floor was then opened for a general exchange where the delegates questioned panelists and commented upon their remarks.

Ms. Koontz closed each meeting with a warm message of hope for a continuing relationship among the women present. Plans for technical assistance and leadership skills seminars are being developed by NCWW as a follow-up to the Dialogues.

The Questionnaire

To help draw a profile of the women who represented "the eighty percent" at the Dialogues, the Commission distributed a questionnaire to participants. The questionnaire inquired about their ages, present and former occupations, education, job training and successful counseling. It asked whether training opportunities are currently available to them, what problems they have confronted in their search for the education and job training they need and what recommendations they would make to improve their situations. For every meeting except Denver, it also requested their race and marital status, the number of children under 18 and other dependents.*

Three hundred seventy-four women (or 51.2 percent of the participants) completed the questionnaire. Because of technical problems, few questionnaires came back from Seattle and Nashville, so the sample comes primarily from the Denver, Madison, Baltimore and Albany Dialogues.

Of those who returned the questionnaire, 60.2 percent are clerical workers, 16 percent service workers, 5.3 percent factory operatives, 2.1 percent saleswomen and 9.9 percent technical and craft workers. Thus, clerical workers and craft workers are over-represented while factory workers, saleswomen and service workers are under-represented.

---

* The questionnaire (which was revised after the Denver meeting) and additional data can be found in Appendix B.

Because 42 percent of the respondents are white, 21.9 percent black and 7.5 percent Hispanic or Native American, the sample also over-represents minorities.* Single and married people are under-represented, while women who are separated or divorced are over-represented. The age distribution is similar to that of the Dialogue participants as a whole.

Clearly, this sample is not at all a scientifically selected one, and data derived from the questionnaire are included only for illustrative purposes. However, many of the findings are suggestive, and a recommendation appears later concerning further research needed in this area. In the discussion that follows, data and comments from the questionnaires will accompany observations that working women offered during the regional Dialogues.

Problems and Recommendations

The National Commission on Working Women specifically asked the conference participants to develop a list of problems which they felt should be priority items. In each meeting, education and training opportunities ranked high on the list. In Seattle, the lack of training, education and access to non-traditional jobs appeared second on the list of problems, after low wages. In Denver, vocational education programs — inadequate counseling, lack of financial assistance — ranked fourth. Nashville women listed the absence of appropriate training first. Madison conference officials noted that "more and better education and training and counseling are top concerns."

The working women themselves, both in the workshops and on the questionnaires, addressed educational problems with great specificity and eloquence. Among the difficulties they mentioned are lack of time, money and opportunity to pursue educational goals, poor preparation due to sex stereotyping in schools and lack of adequate counseling at every level. They also acknowledged defeatist attitudes among themselves, their families, employers, teachers and counselors.

The participants also were asked to propose solutions to the problems they enunciated. Their recommendations concerning educational opportunities included provision of on-the-job training by employers, formation of information networks, enforcement of anti-discrimination laws, development of publicly funded child care, tuition reimbursement for women workers, expansion of apprenticeship programs, provision of good public school counseling for girls and sponsorship of more conferences like the Dialogues.

---

* The remaining 37.6 percent of respondents did not indicate race.

- Lack of Money

"I seemed to always have had to work to survive -- not much chance to stop and grab the next rung of the ladder." This statement, by a secretary of 24 years, the single parent of four children, was echoed by many others.

Of the 303 women who stated on the questionnaire that they have problems of any kind in getting education, 196 (64.7 percent) said money is a problem. Of single mothers, 67.1 percent said money is a problem.

	SINGLE PARENTS	SINGLE NO CHILDREN	MARRIED PARENTS	MARRIED NO CHILDREN
% WHO SAID MONEY IS A PROBLEM	67.1%	44.0%	50.0%	26.5%
% WHO DID NOT SAY MONEY IS A PROBLEM	32.9%	56.0%	50.0%	73.5%
TOTAL NUMBERS	79	91	66	49

Women in non-traditional jobs complained less often of money problems than did women with traditional jobs (37.5% versus 55.3%) possibly because non-traditional jobs pay more or because they often provide training.

It is not surprising that women would note money problems. In 1976, the median annual earnings of full-time women workers were $8,312 -- 60 percent of men's. Women accounted for 63 percent of those who earned between $3,000 and $5,000, but only five percent of those who made over $15,000. One-third of the families headed by women were poor.

Housing and food were the problems a Denver secretary listed. She had six years experience although she was less than 25 years old. She also mentioned the lack of money to pay for education and child care as obstacles to getting the job and training she wants. A black mother of two, widowed, stressed that she "cannot afford to go back to school; supporting children is main responsibility." Women are reluctant to go to school at the expense of their children's well-being.

Women whose children have grown also feel an economic pinch: "Money would be the main obstacle," said a sales clerk. The mother of five children, two under 18, wrote: "I wanted to complete my college with a degree in English and communications, and go into the publishing business with a goal of becoming an editor. After helping my husband through college plus three years, and working to help our older three children complete college, I have no money to go to college, and cannot afford to borrow because, at 46, I don't want the debt."

The 52-year-old mother of eleven children, four of them under 18, who is holding down two jobs, said: "I would love to take courses and further education, even get a degree...My problem at the moment is time and money. Are there scholarships available for a person my age?"

Clearly, money for the necessities and money to take care of children take precedence over money for education. Older women and single women with children face situations which are particularly difficult. Can anything be done to widen their options?

Blue and pink collar women do see ways in which financial support might be made available:

- They asked for the assistance of employers in terms of released time, tuition payments and other incentives at least at the same level enjoyed by other employees.
- They advocated aid from outside sources for older women who are so often closed out of financial aid opportunities.
- From state and local governments, they asked for aid so that they can go back to school and support their children at the same level as if they were working.

In summary, working women want enough money so that they do not have to attend classes while working full-time and raising a family, and they want money to provide adequate care for their children in their absence. They do not consider any of these demands unreasonable.

- Lack of Time

Time is clearly a second major obstacle to the working woman trying to get an education. The problem of time has two important facets. For the working woman with relatively minor household responsibilities, the hours that courses are offered often conflict with her job. For the single working woman with responsibilities for job, children and a home, it seems that no time exists in her life for further education.

Of respondents who indicated problems, 39.7 percent said that lack of time prevents them from getting education, and 29.1 percent noted the inconvenient timing of courses. Only lack of information and lack of money were noted more often as problems. Again, single mothers felt the pinch most acutely, but one-third of all respondents felt they lack time and 24 percent remarked about the inconvenient timing of courses.

		SINGLE PARENTS	SINGLE NO CHILDREN	MARRIED PARENTS	MARRIED NO CHILDREN
LACK OF TIME A PROBLEM	YES	44%	29%	38.[illegible]%	14.3%
	NO	56%	71%	61.9%	85.7%
TOTAL NUMBERS		50	62	42	28

		SINGLE PARENTS	SINGLE NO CHILDREN	MARRIED PARENTS	MARRIED NO CHILDREN
COURSE TIMES INCONVENIENT	YES	36%	19.4%	17.7%	21.4%
	NO	64%	80.6%	83.3%	78.6%
TOTAL NUMBERS		50	62	42	28

A Seattle woman noted that there is "no time for extras" for women who head households. A Madison participant said that, because she wants to use her time after work to be with her children, she cannot get a degree in night school. Another Seattle woman declared that she has too many chores to do after work to be able to go to school.

As a formerly married mother of two children, now working as a sales coordinator, put it: "Time is my worst enemy, being a head of household, two children, full-time career. Just a few hours a week of outside training would be useful, but I'm paid hourly."

The single mother of four children, who has been a secretary for twenty-four years, described her situation thus: "I can hardly make it as it is, working one full-time and one part-time job as well as being coordinator of children, in charge of food preparation, household maintenance, etc. School is out of the question in this case." Another woman observed, "It cuts me up in too many pieces" to get an education.

Women who are not single parents also complained of time constraints on educational opportunity. A young single woman with two years of college noted "with the low wages I am getting, I'm already 'donating' my time -- and my employer expects me to get additional in-house training on my own time -- IMPOSSIBLE!"

A young program coordinator for a Denver women's center cited lack of time as a problem and explained: "I have to work days -- school at night takes forever!" A married woman with one child called attention to the "limited time to pursue education while employed full-time, but fierce competition with college degreed applicants -- no credit for experience."

There are some women whose motivation is sufficiently strong that they will "make time" under almost any circumstances to get the education they want so badly. Others will undertake further education only if the situation requires no sacrifice at all. But for the middle group, competing demands of job and family can be ameliorated by feasible changes, some of which already have taken place.

Recommendations concerning time took two forms. Some advocated that degree programs be available at night. Others suggested making time free during the day to permit workers to attend school. Three possibilities were brought forth:

- flexible job schedules which permit workers to choose when to put in their full work weeks;
- released time with pay for education;
- part-time employment.

The problem may be that, although these alternatives exist in some work places, they are not sufficiently wide-spread. It seems that the people who could make the best use of such opportunities are unable to find them.

- Lack of Child Care

Women who do have time to go to school still face the problem of arranging for the care of their children while attending classes. Women's comments about child care were often cynical. They clearly felt that this service could be provided if "the powers that be" desired to do so. More than one woman referred to the reported provision of day care during World War II when "they" wanted women to acquire training and work.

A 1970 report by the Office of Education, Report on Women and Continuing Education, noted that the provision of child care centers may be a necessary condition for full female participation in education. This surely affects working women, 38 percent of whom had children under 18 years of age in 1970. It affects minority women workers even more acutely, as 44 percent of this group had minor children. The President's Task Force on Women's Rights and Responsibilities reported in 1970 that "Department of Labor experts cite lack of child care as the most serious single barrier to job training or employment for low income mothers."

The Dialogue participants clearly would agree with this assessment. Many referred to the vagaries of elementary schools, which give children days off without sufficient warning or insist that children come home for lunch -- both of which present the woman attending school with problems. Similarly, sick children require attention often not available in day care centers or public schools, so the mother must give up her time at work or school. One woman noted that "if women had a structured place to take their children they would feel more relaxed about going off to a job or getting an education."

Again, single parents were the respondents most likely to remark that childcare is a problem: 39.2 percent did so. However, 25.8 percent of married mothers also cited childcare as an obstacle.

The 1970 Task Force report recommended Federal support for child care centers and said that a system of well-run child care centers available to all pre-school children should be a national goal. Virtually all respondents urged similar action. Most advised that these facilities be located at the workplace. Some felt that the service should be free; others that the users should pay fees assessed according to income.

Even when women asked for fully subsidized programs, they stressed the need for local control, regardless of the source of the money. Child care for children of night-shift workers, care for children during the summer months when school is out, care for sick children and care for infants and toddlers represent important concerns for most women with children.

- Negative Attitudes

Discouragement in the face of such obstacles is common. Participants cited many negative attitudes which hinder women in the quest for education and advancement. Lack of self-esteem, fear of being thought aggressive or homosexual ("All independent women are called lesbians," said a Seattle woman), jealousy, inability to take criticism, insufficient desire to "get ahead" all were put forth as attitudinal problems hampering women. Most attributed these attitudes to the way women are brought up.

A Madison participant noted that some of the blame has to go to the public schools who make the contribution of women invisible. Women, deprived of their past and taught to behave only in sex stereotyped ways, have to reclaim their history by self-education to compensate for "generations of denial of our heritage," she said.

Another woman noted the problem of apathy: "It won't do any good." A data processor, going back to school, expressed another common anxiety: "I'm 27 years old and starting school after nine years is scarey."

The phrase "women are their own worst enemies" appeared repeatedly, and women seemed willing to accept this responsibility. A black woman, widowed with seven dependents, who works as a cook for a university, commented that "my own motivation is slow." A junior college graduate wrote that her obstacle had been a "traditional 'part-time' philosophy. No real obstacle since identifying my personal desires and goals." A divorced mother of one pointed out that "having to work two jobs and fitting in college courses creates a lot of emotional stress."

About one-quarter of the respondents claimed that their own insecurity hinders them. Interestingly, this problem was mentioned by only one woman over the age of 56. Minority women found insecurity to be less of a problem than did whites.

AGE:		25 OR UNDER	25 - 40	41 - 55	56 OR OVER
INSECURITY A PROBLEM	YES	27.3%	27.0%	24.3%	4.3%
	NO	72.7%	73.0%	75.7%	95.7%
TOTAL NUMBERS		55	174	107	23

RACE:		BLACK	WHITE	HISPANIC	NATIVE AMERICAN
INSECURITY A PROBLEM	YES	14.6%	26.1%	21.1%	11.1%
	NO	85.4%	73.9%	78.9%	88.9%
TOTAL NUMBERS		82	157	19	9

Women need assistance in identifying desires and goals, and in overcoming anxiety so that they can achieve them. Respondents suggested that conferences, self-help networks, women's organizations and community groups can help women build self-confidence and the assertiveness they need to overcome destructive attitudes which prevent them from getting ahead. These same groups also can pass on information about local resources and programs for education and training. Future meetings, like those held by the NCWW, can provide "sister reinforcement," as one woman called it.

Many felt that, in addition to counseling women, it is important also to educate husbands, fathers, male employers and even women managers to the needs of blue and pink collar women. Several noted that convincing women that they are going to be working for the rest of their lives can help motivate them to seek advancement.

- Discrimination

NCWW Chair Elizabeth Koontz observed that women's attitudes toward themselves constitute an invisible shield against achievement.

She pointed out, however, that behind that invisible shield is yet another problem: the brick wall of discrimination.

The participants agreed. Sexism, racism, ageism and classism all were mentioned in the comments of delegates. A black administrative clerk asserted that "being female and black...white males really don't take you seriously." "I was denied a management position due to my sex," declared a Madison bookkeeper.

"There is a lot of 'silent' discrimination against women who seek management level jobs," commented a Denver college graduate. An Albany clerical worker stated flatly, "Women are not given consideration for job advancement in my company."

A young single waitress averred, "I was fired from a managerial job after six months of sexual harassment." A young corrections officer commented, "As a female, less is expected of me regarding promotion and advancement. Training for me is seen as entertainment rather than a means to a goal."

Women are not only victimized on account of their sex, however. A single black woman remarked that "too many employers appear not willing and ready to give educated minorities a fair chance in getting a responsible job." A Native American from Oklahoma criticized poor counseling for Native American students.

A mother of three reported encountering age discrimination. Many workshops condemned classism: professionals can use their experience and education to advance, but clericals must take tests.

About 15% of the sample cited discrimination as a problem. College-educated women mentioned discrimination more often than junior college graduates, who cited it more often than high school graduates. Separated and divorced women also encountered discrimination more frequently than the average.

EDUCATION COMPLETED		HIGH SCHOOL	JUNIOR COLLEGE	COLLEGE	GRADUATE SCHOOL
DISCRIMINATION	YES	11.9%	18.2%	22.2%	0%
	NO	88.1%	81.8%	77.8%	100%
TOTAL NUMBERS		101	55	27	3

MARITAL STATUS		SINGLE	MARRIED	SEPARATED/ DIVORCED	WIDOWED
DISCRIMINATION	YES	13.6%	11.4%	23.3%	0%
	NO	86.4%	88.6%	76.7%	100%
TOTAL NUMBERS		44	70	60	8

Several workers expressed the opinion that the new anti-discrimination laws have helped their situations. A factory operative said that she had had problems in the 'sixties, but "not now with the new laws." A production worker claimed: "I wouldn't have gotten a factory job that paid well if it hadn't been for affirmative action."

But the situation is not without pitfalls. A Denver woman said, "I need knowledge of how to deal with a work situation where I was hired only because the Government said 'hire women.'"

Inequality of educational benefits, failure to admit women and minorities to apprenticeship programs, and sexist counseling programs can all be remedied by a forceful application of anti-discrimination legislation. Women at every conference strongly advocated this action. They also realized, however, that they need to be informed about their rights under the law.

The various government jurisdictions thus have two responsibilities to the people: they must enforce the laws rigorously and they must make positive efforts to inform the citizenry of their rights and responsibilities under the law. Many women were enthusiastic about conferences and seminars such as the one they were attending. Television, newspapers, radio and direct mail can also be used to create a better informed public.

- Limited Course Offerings

Most women agreed that all kinds of education and training courses should be available at convenient times and at low cost. Several workers mentioned specific kinds of course offerings that they would like to see. A pharmaceutical buyer recommended "typing, business English, public speaking -- almost anything to improve self-esteem and stimulate interest." A secretary suggested "a program for women to give background in marketing with job placement after training." Another stated: "I feel that undergraduate courses in the small towns offered by larger colleges would help. Part of the one and one-half years I completed were in an extension course by Tennessee Tech. Also the vocational schools, at least in our town, offer only office (secretarial) and nurse-aide training for women. I'd like to see real estate courses, insurance courses, accounting, income tax preparation and other such training offered in night courses."

Suggestions included management training, consumer education, courses leading to certificates and degrees in non-traditional fields, standard degree programs and especially mathematics courses. Several participants complained that they cannot get regular college or graduate degrees by attending at night. They stressed that such training must be available in the evening hours.

Many women also called for courses concerning women's rights, the legislative process, unionization and other worker self-help information. They suggested that, in view of falling enrollments, colleges could find a new constituency in working women if they were willing to meet their needs.

Why Some "Solutions" Haven't Worked

- Educational Benefits on the Job

Many women reported that the assistance offered by employers for education or training is inadequate. Some employers limit educational benefits to upper level employees who are more highly paid and, more often than not, male. The result, as one Seattle woman expressed it, is that "the poor stay at this level and the rich get smarter."

One employer recently took educational privileges away from lower level employees. The woman reporting this incident felt that the employer, a university, feared to let lower level employees enhance their skills. A Baltimore woman also remarked on "the fear of employers that you are dangerous if you improve your skills and job knowledge."

A clerk-typist observed that the competition for educational benefits favors those who are already better prepared, and who therefore may need them least. This view is reiterated by a black school secretary, who explained: "Teachers, nurses, et cetera, are able to receive 'points' for attending classes whereas secretaries are not. It's as if we haven't a need to better ourselves."

Perhaps what they sense is the employer's recognition that increased skills may lead to expectations in terms of advancement and pay that s/he does not wish to, or cannot, meet for lower level employees.

Many employers offer tuition assistance and/or released time only for job-related courses. This may be because money spent by employers on education is not tax deductible if the courses train employees for new occupations.

A worker familiar with this situation pointed out, "Most clerical people really know that it's not going to help them too much to learn to type better." Such a policy also offers nothing to the woman desiring to move out of the traditionally female job arena. A Madison woman, referring to a friend, remarked, "She doesn't want to be a secretary forever, but they won't pay for anything else."

Other difficulties that the conference participants mentioned include not being told about educational benefits, or not being permitted to use them by unsympathetic supervisors or by supervisors who feel they cannot afford to lose the workers' time.

An Albany technician wrote, "The supervisor claims we are too needed for the job to be released for any absence for training. The job is too demanding to have any energy after hours to seek other training. I have been in this stalemate for two years." Similarly, another woman noted that mandatory overtime at her job prevents class attendance. Thus, working women assert that they have a great deal of trouble using employer-supported educational benefits to enhance their knowledge or train for better jobs.

- On-the-Job Training

On-the-job training also fails to supply women with a conduit into non-traditional occupations. In too many places, on-the-job training programs just do not exist. In the past, where such programs were available, women were not allowed to participate, and many still suffer the effects of that discrimination, being locked into lower-paying jobs. A secretary related, "In our company, men are trained first, and managers before non-management, so programs seldom work down to this level." Where on-the-job training is available, many women don't know about it.

A speaker at the Seattle program noted that women participate in apprenticeship in very small numbers. A reason, aside from lack of information, may be age limits which discriminate against women who have taken time out from their work careers to raise families or who have spent some years in the traditional jobs to which they were initially directed.

But women clearly see on-the-job training as a good alternative to further formal education. A secretary whose job will soon end is specifically looking for on-the-job training. Because she is divorced and responsible for the care of a small child, she doesn't want her preparation for advancement to take additional time away from her child.

Some women expressed the belief that they should not have to acquire training on their own. As one put it, women have to be qualified already but men merely have to show potential. Women want the same treatment.

In fact, whenever training opportunities are available, and women are aware of them, their rate of use is very high. (See table on next page.)

TRAINING AVAILABLE	RATE OF USE (by those reporting available training)
within company	59% (82 out of 139)
supported by employer	51.4% (74 out of 144)
within the community	57.1% (72 out of 126)
sponsored by union	53.2% (42 out of 79)

Many participants put question marks in response to the question of whether training opportunities are available in their communities. It may be that more opportunities for training are available than women are aware of. If they were directed to such places by competent counselors, it seems likely that even more women would use the chance to get further training.

On-the-job training could be important in helping women into non-traditional jobs. Some 89.3 percent of non-traditional job holders in the group were trained on the job, while 76% of those with traditional jobs had received on-the-job training. Conversely, only 3.6% of those with non-traditional jobs were trained in high school, compared to 38.7% of those with traditional jobs.

Women who used on-the-job training to break into traditionally male fields reported severe hostility from male co-workers. A factory worker avers that foremen and unions where she works "resist moving women into areas that are not traditional." A carpenter describes the "reluctance of men in this field to be supportive and helpful." A crane operator called attention to the "rejection and ridicule from men, including management," which she experienced.

Many women, however, do not think that they need further training. What they observe is the need for credentials, and the lack of respect for, or acknowledgement of, experience. A Denver woman declared: "I would like to be able to go out and take a test for a master's degree. I've had many people tell me that I am just as qualified as all the master's degree people they know. I can't get it because I can't afford to go to school, to take time off from work to do it."

A Seattle woman exclaimed, "That piece of paper is so important!" She related the story of a bi-lingual language instructor earning $3.47 per hour while her supervisor, who could not speak a second language, was earning $10 per hour because he has a degree. One participant called it "discrimination against people for not having degrees."

Clerical workers had two suggestions to help them break out of dead end jobs: apprenticeship training in skilled trades and in-house management training. A few participants also sought

Spanish-language training courses. Many women urged that employers recognize talent and experience as well as credentials when they offer promotions to employees. Some maintained that women should be encouraged to form unions to force employers to grant such benefits.

- Lack of Job Opportunities When Trained

Education and training are supposed to lead to a career and more money. This is not always the case. Women training as paraprofessionals sometimes find that the resistance of professionals makes their work difficult or impossible. A trained paralegal, working in a factory, cited "resistance from lawyers to hiring a paralegal." Another paralegal was unable to find a job in Washington, D.C., probably the best job market in the country for law related professions.

An ophthalmic technician observed that "the ophthalmic medical profession is not progressive in terms of hiring and training paramedic personnel." A dental paramedic complained of "getting the education, but not the career advancement and pay." Women living in small towns, company towns, areas of high unemployment or large concentrations of highly educated people have additional problems finding jobs even after training.

Women are very aware of this problem. A young secretary asked, "Even if job training is available, what good would it do? There's no place to move up." A bookkeeper from Albany observed: "The education part is easy. Getting a good job is the difficulty." An older secretary stated: "I believe opportunities for advancement are lacking more than education opportunities."

To help women avoid being trained for jobs that do not exist, participants suggested better counseling and better training programs. Said a factory worker: "First the job market must be reviewed to see where opportunities are really available; then apprentice programs must be set up to specifically train and educate women." Or, as another conferee put it, "Training should be tailored to existing jobs."

- Counseling

Good counseling can help to answer many of the questions women ask: What jobs are available? Which pay well? Where is training available? What kinds of aid are there? But only 29.7 percent of respondents said they had received good counseling from any source. The largest number of these (28.8 percent) had received help in school; the next largest group had found assistance in women-centered programs. Younger women reported help most often from women-centered programs, while women 26 to 40 years old had received counseling most often in school.

Good counseling is helpful in getting women into non-traditional fields: 43.8 percent of the respondents with non-traditional jobs claimed to have received good counseling; only 31.3 percent of those in traditional fields made this claim. Of non-traditional job holders who had received good counseling, almost half received it in women-centered programs.

Another index of the need for good counseling is that lack of information about job, education and training opportunities ranked second in the list of problems the respondents face in getting education and training. (Only lack of money ranked higher.) Lack of information regarding jobs was mentioned by 41.7 percent of the respondents, while 32.6 noted lack of information about educational opportunities. These kinds of informational needs could be met by good counseling.

Lack of good counseling is most severe for women in the 26 to 40 and the over 56 age groups.

AGE		25 OR LESS	26 TO 40	41 TO 55	56 OR OVER
HELPFUL COUNSELING RECEIVED	YES	44%	25.8%	39.1%	25%
	NO	56%	74.2%	60.9%	75%
TOTAL NUMBERS		50	159	92	20

Slightly more black and Native American women than white and Hispanic women reported having had helpful counseling.

RACE		BLACK	WHITE	HISPANIC	NATIVE AMERICAN
HELPFUL COUNSELING RECEIVED	YES	40.6%	31.7%	11.1%	44.4%
	NO	59.4%	68.3%	88.9%	55.6%
TOTAL NUMBERS		69	139	18	9

Many women expressed dissatisfaction with the counseling they had received in high school. One woman felt it was oriented too much toward college. Others found it sexist. One had tested high in mechanical aptitudes and was directed to business machines. A secretary with twenty years experience related how her tests had indicated that she could have been a successful physicist, but "the counselors guided me into secretarial classes."

With her daughter now grown, she is going back to college. About the counseling received in a job training school, she said, "I thought it was helpful -- now I know it was shuffling me into a dead end job!" These women, and others, felt good high school counseling is crucial because "getting kids young is the solution."

Once out of high school, however, obtaining counseling of any kind is unlikely. Participants observed that counseling should be available off-campus because many women do not feel comfortable visiting or calling a two or four year college. Though college is not the only counseling opportunity, many women do not know where to go to get a more general kind of assistance.

Women expressed a need for counseling "to help you identify goals and objectives." After all, one can acquire a great deal of information about available opportunities but "you're still lost" if you don't know how to choose a particular path. As one woman put it: "I know I have to work for the rest of my life -- what do I do? Where can I go? What can I do with myself?"

Women need to know what kind of jobs are available in their areas in order to make good decisions about training. Many feel that homemakers, who have been out of the labor force for several years, require special attention.

One final problem mentioned in relation to counseling concerns the absence of women counselors. Some of the participants feel that men are not sympathetic to nor interested in counseling women. A Denver delegate related receiving very discouraging treatment from a male college counselor when she went to discuss the possibility of attaining a master's degree in psychology. Good, easily attainable advocacy counseling for women continues to be an important need.

Recommendations concerning counseling addressed both the needs of the women themselves and what they perceived to be needed for their children. For themselves, the women workers requested that specific information be available in their communities: which schools in their areas grant certain degrees; which degrees qualify one for nearby jobs; how to set career goals; how to break into one of the professions. To smooth the adjustment for the homemaker entering the labor force, participants suggested the creation of centers at educational institutions, special re-entry programs, counseling and educational programs for the homemakers and their families.

Many women stressed the need for improving high school counseling services for their children. A secretary asserted: "Girls must learn how far secretary -- waitress -- etc. pay does NOT go. And how dull it is. When fewer women enter this field, salaries will RISE! It's an old economic law of supply and demand. Tell the young girls where it's at -- attack the system this way!"

These blue and pink collar workers called for more orientation toward the professions for their daughters and a "more realistic preparation of children at all levels of school for the working world and life." Finally, they emphasized the need for non-sexist education: "Remove sexism in the schools -- starting in grade school through college. Attitudes have to be changed starting in the formative years."

CONCLUSION

Lack of money, lack of time, lack of adequate child care facilities, inadequate or non-existent counseling, few benefits, lack of on-the-job training, failure to acknowledge experience in lieu of degrees, discrimination, lack of job opportunity, negative attitutdes -- all these obstacles prevent blue and pink collar working women from obtaining the education and job training they need.

Those who overcome these obstacles often do so at very great sacrifice. But many of the barriers can be lowered and education and training thereby made accessible. This effort will require commitments from the Federal, state and local governments, private industry, academic institutions and individual women themselves.

RECOMMENDATIONS OF THE COUNCIL

I. The Council recommends to the President and the Congress that

1. Federal anti-discrimination laws (including age discrimination laws) and regulations be enforced more thoroughly by all appropriate agencies to assure that women and girls are afforded educational as well as job equity. Such enforcement should cover career counseling, curriculum selection, classroom training, and postsecondary preparation so that in the future women can be better equipped to avoid the problems of today's working women.

2. effective programs of public information concerning citizens' rights and responsibilities under anti-discrimination laws be undertaken.

3. the Departments of Labor and Health, Education, and Welfare undertake a demonstration program to establish the costs and benefits of stimulating, by tax and other incentives, employer subsidies for employees' education and training. Such a program should cover both job-related and other education, should be designed to facilitate usage by lower level workers, and should analyze the results in terms of productivity and upward mobility.

4. the Departments of Labor and Health, Education, and Welfare undertake a joint effort to provide funds and technical assistance, under existing legislation, to augment local counseling services for women within both educational and community settings. Such programs must offer information and assistance concerning the job market, non-traditional occupations, education and training opportunities, financial aid possibilities, childcare and other supportive resources, and individual goal-setting and career planning. They should seek out both employed women and homemakers needing their services.

5. the Federal government support with funds, tax incentives and consultation the establishment of locally-controlled child care centers for all children, including night and summer services.

6. the Federal government extend and publicize its programs for flexible working hours and part-time employment, which would permit women to train for new fields of work.

7. the Federal government establish a policy of hiring paraprofessionals whenever appropriate.

8. the Department of Labor encourage all employers to formulate and distribute career path manuals for all employees.

II. The Council recommends to the Secretary of Health, Education, and Welfare that:

1. legislative definitions be sought which would make less-than half-time students eligible for Federal student assistance programs.

2. state education agencies and institutions be encouraged to publicize the possibilities for adult students to receive academic credit for lifelong learning experiences, including academic credit based on demonstrated abilities acquired at work.

3. educational institutions be encouraged to make it possible for all degrees to be earned in classes with flexible hours such as evenings and weekends.

4. funds be provided under discretionary programs to support additional efforts, such as the NCWW Regional Dialogues, intended to foster self-confidence and networking and career-planning skills among working women.

III. Finally, because the needs and problems disclosed by this limited number of working women present major implications for society, the Council urges that the Departments of Health, Education, and Welfare and Labor allocate funds for more comprehensive research on the "80 per cent."

DEMURRAL

Several women at the various Dialogues took exception to the idea that further education represents a fruitful course for working women. "Before additional educational programs, I, personally, and maybe others, need more money," said one delegate.

Dr. Annette Flowers of Towson State University in Maryland said that education and training is often used as a byway: women get more education than they need.

Helen Remmick of the University of Washington pointed out that women with bachelor's degrees earn less than men with eighth grade educations. Women are more likely than men to have high school diplomas, as likely to have A.A. degrees and almost at a par for bachelor's and master's degrees. However, women's educational attainment tends not to translate into job status and pay as men's does.

On-the-job training, a characteristic of higher-paid men's employment, is rarer in women's jobs; women tend to pay to train themselves. But Remmick believes that women's best chances for financial reward lay in getting on-the-job training.

A single mother in Madison echoed her position: "I don't view education (read schooling) as the problem or the solution. Most women who work have learned more than enough on the job to warrant promotions and pay raises without more schooling. Making them go back to school first only provides the employer with yet another method of not dealing with his women employees. After women have started rising in their work setting, then I think talk about further education is applicable."

A woman who had been involved in a WIN program criticized it for initially implying that all women need to get off welfare is training. But, she added, "the program has grown up -- employment is where it's at."

Many of the women at the Dialogues expressed a fair level of skepticism about the commitment of the Federal, state and local governments to providing equal opportunities: "Thomases promises," said one woman.

A Seattle woman declared with some emotion: "We have seen, in the past few years, a downturn in legislation, in court decisions and in every kind of action on some of the gains made by the struggles of the women's movement from the early 1970's." Pregnancy, seniority, minority and basic human rights are being given short shrift, she said. This Dialogue, she added, will lead to yet another report "that will have all of the relevant information, have all of the sad plight." But the "people in Washington...(will) pat us on our heads and say, 'you've really got a long ways to go, baby, but pull yourself up by your socks and keep going.' I think it's a sham!"

Future action will tell if she is right.

APPENDIX A

Characteristics of Dialogue Participants

Total number of participants: 730

AGE	NUMBER	PERCENT
under 25	109	14.9%
26 to 40	362	49.6%
41 to 55	194	26.6%
56 and over	49	6.7%
unknown	16	2.2%
RACE		
Asian	9	1.2%
Black	163	22.3%
Caucasian	439	60.1%
Hispanic	47	6.4%
Native American	49	6.7%
unknown	23	3.2%
UNION MEMBERSHIP		
yes	312	42.8%
no	376	51.5%
unknown	42	5.8%
OCCUPATION		
clerical	414	56.7%
service	155	21.2%
sales	31	4.2%

(continued on next page)

OCCUPATION (continued)	NUMBER	PERCENT
operatives	95	13.0%
craft	29	4.0%
unknown	6	0.8%
COMMUNITY		
rural	130	17.8%
urban	382	52.3%
suburban	190	26.0%
unknown	28	3.8%

APPENDIX B

Questionnaire and Responses

EDUCATION, TRAINING AND THE 80%

The National Advisory Council on Women's Educational Programs, which advises the Department of Health, Education and Welfare, is cooperating with the National Commission on Working Women with the hope of improving educational opportunities for the 80 percent. To help us gather information on this subject, we are asking that you take a few moments to fill out this questionnaire on your educational and training experiences and needs. Your comments will be given careful consideration in the formulation of policy recommendations which will be made by the Council to the Assistant Secretary for Education.

1. What is your occupation?

2. How long have you done this kind of work?

3. If you formerly worked in other occupations, what were they?

4a. Highest educational level completed: H.S. __ Junior College__, 4 Year College __, Graduate Training __.

4b. Where were you trained for your job? (Check as many as apply.)
On the job __ In vocational high school __ In regular high school __
In post-high school voc-technical or trade school __
In community or junior college __ In 4 year college/university __
In a government "manpower" program (CETA, WIN, etc). If so, which one?

5. Did you ever receive counseling which was helpful to you concerning jobs and job training? If so, where was it given? (For example, job training school, CETA center, women's center, etc.)

6. Is education or training available to you for career advancement?

	Available	Those you have used
Within your company		
Supported by your employer (tuition payments, released time, etc.)		
Within the community		
Sponsored by a union		

7. Have you encountered obstacles to getting the education and job training you wanted?

If so, what are the chief ones?

Lack of information about possible jobs __________

Lack of money to pay for education or training ____

Lack of affordable childcare during education or training ____

My own feeling of insecurity _____

Lack of time ______

Inconvenient time of courses _____

Lack of information about education and training ______

Lack of transportation to education and training _______

Opposition of family to my getting education or training or an unusual job ________

Discrimination or other (specify)

8. What, if any, additional educational programs or services would you recommend to benefit yourself, your family or your co-workers?

9. Ethnic background: Asian American ___ Black ___ Caucasian ___ Hispanic ___ Native American ___

10. Age: Under 25 ___ 26 - 40 ___ 41 - 55 ___ 56 and over ___

11. Marital status: Never Married ___ Married ___ Separated/divorced ___

12. Number of dependent children _____ Number of other dependents ___

Data from Responses to Questionnaire

Number of Respondents: 374

OCCUPATION	NUMBER	PERCENT	PERCENT OF NON-PROFESSIONAL FEMALE WORKFORCE, 2/79
clerical	225	60.2%	47.0%
service	56	15.0%	22.8%
operative	20	5.3%	14.9%
sales	8	2.1%	8.8%
domestic	4	1.1%	3.7%
technical/craft	37	9.9%	2.4%
other	24	6.4%	
traditional jobs	313	83.7%	
non-traditional jobs	56	15.0%	
unknown	5	1.3%	
supervisory jobs	45	12.0%	
non-supervisory jobs	326	87.2%	
unknown	3	0.8%	
LENGTH OF EMPLOYMENT			
0 - 2 years	82	21.9%	
2 - 5 years	121	32.4%	
6 - 15 years	115	30.7%	
15 years or more	53	14.2%	
unknown	3	0.8%	

FORMER OCCUPATION	NUMBER	PERCENT
clerical	106	28.3%
service	83	22.2
operative	24	6.4
sales	30	8.0%
domestic	5	1.3%
technical/craft	14	3.7%
housewife	5	1.3%
professional	17	4.5%
unknown	90	24.1%
traditional jobs	275	73.5%
non-traditional jobs	28	7.5%
unknown	71	19.0%
supervisory	11	2.9%
non-supervisory	290	77.5%
unknown	73	19.5%
LEVEL OF EDUCATION COMPLETED		
high school	166	44.4%
junior college	76	20.3%
four year college	39	10.4%
graduate school	8	2.1%
unknown	85	22.8%

PLACE OF TRAINING	NUMBERS	PERCENT
on the job	293	78.3%
vocational high school	24	6.4%
regular high school	123	32.9
post-h.s. trade school	55	14.7%
junior college	51	13.6%
four year college	49	13.1%
government manpower	40	10.7%
CETA	(26)	(65.0% of manpower training)
WIN	(9)	(22.5% of manpower training)
other	(5)	(12.5% of manpower training)

HELPFUL COUNSELING		
yes	111	29.7%
no	223	59.6%
unknown	40	10.7%

SOURCE OF HELPFUL COUNSELING (for 111 persons who had received it)		
job training	20	18.0% of those who received it.
school	32	28.8% "
CETA center	8	7.2% "
women's program	28	25.2% "
other	23	20.7% "

AVAILABILITY OF EDUCATION/TRAINING		
available in company	139	37.2%
(used by respondent)	(82)	(59.0% of those who reported availability)
supported by employer	144	38.5%
(used by respondent)	(74)	(51.0% ")
within community	126	33.7%
(used by respondent)	(72)	(57.0% ")
union-sponsored	79	21.2%
(used by respondent)	(43)	(45.0% ")

OBSTACLES TO OBTAINING EDUCATION/ TRAINING	NUMBERS	PERCENT
yes	303	81.0%
no	71	19.0%

OBSTACLE	NUMBERS (374)	PERCENT OF WHOLE GROUP	PERCENT OF THOSE WITH PROBLEMS (303)
lack of information re: jobs	156	41.7%	51.5%
lack of information re: education	122	32.6%	40.3%
lack of money	196	52.4%	64.7%
lack of transportation	37	9.9%	12.2%
lack of child care	73	19.5%	24.0%
opposition of family	44	11.8%	14.5%
feeling of insecurity	89	23.8%	29.0%
lack of time*	60	31.7%	39.7%
inconvenient timing of courses*	44	23.2%	29.1%
discrimination*	28	14.8%	18.5%
other	102	27.3%	33.7%

* These three options were available to be checked to only 189 women, those at the Albany and Baltimore meetings. Percentages in column two (for these three items) represent percentages of 189; those in column 3 are percentages of 151, the number of women in Albany and Baltimore who indicated that they had problems obtaining training or education.

RECOMMENDATIONS

Women responding: 194 (51.9% of those who returned questionnaire)

RECOMMENDATION	NUMBER	PERCENT OF WHOLE GROUP (374)	PERCENT OF THOSE RESPONDING (194)
more education	52	13.9%	26.8%
job training	46	12.3%	23.7%
financial aid	27	7.2%	13.9%
childcare	20	5.3%	10.3%
raise consciousness	15	4.0%	7.7%
self-assertiveness	12	3.2%	6.2%
job opportunity	11	2.9%	5.7%
other	60	16.0%	30.9%

ETHNIC BREAKDOWN	NUMBER	PERCENT
Asian	0	0%
Black	82	21.9%
Caucasian	157	42.0%
Hispanic	19	5.1%
Native American	9	2.4%
unknown	107	28.6%

AGE		
under 25	55	14.7%
26 - 40	175	46.8%
41 - 55	107	28.6%
56 and over	23	6.1%
unknown	14	3.7%

MARITAL STATUS	NUMBER	PERCENT
never married	64	17.1%
married	115	30.7%
divorced/separated	94	25.1%
widowed	12	3.2%
unknown	89	23.8%
HAVE DEPENDENT CHILDREN	146	39.0%
HAVE OTHER DEPENDENTS	25	6.7%

OTHER DATA DRAWN FROM THE RETURNED QUESTIONNAIRES

HIGHEST LEVEL OF SCHOOL COMPLETED BY AGE

AGE	HIGH SCHOOL	JUNIOR COLLEGE	COLLEGE	GRADUATE SCHOOL	UNKNOWN	TOTAL NUMBERS
25 or under	38.5%	35.9%	25.6%	0%	0%	39
26 to 40	56.5%	27.2%	12.9%	2.7%	.7%	150
41 to 55	60.3%	26.0%	9.6%	4.1%	0%	73
56 and over	69.6%	13.0%	13.0%	4.3%	0%	23

HIGHEST LEVEL OF SCHOOL COMPLETED BY RACE/ETHNIC ORIGIN

AGE	HIGH SCHOOL	JUNIOR COLLEGE	COLLEGE	GRADUATE SCHOOL	UNKNOWN	TOTAL NUMBERS
BLACK	15.3%	34.6%	12.8%	1.3%	0%	78
CAUCASIAN	57.7%	23.1%	14.7%	3.8%	.6%	156
HISPANIC	57.9%	31.6%	10.5%	0%	0%	19
NATIVE AMERICAN	44.4%	33.3%	11.1%	11.1%	0%	9

OCCUPATION BY AGE

AGE	CLERICAL	FACTORY	SERVICE	SALES	CRAFT	OTHER	TOTAL NUMBERS
25 or less	48.1%	0%	20.4%	3.7%	20.4%	7.4%	54
26 to 40	62.6	5.2%	14.9%	2.3%	9.2%	5.7%	174
41 to 55	65.4%	6.5%	12.1%	.9%	5.6%	9.3%	107
56 and over	60.9%	13.0%	8.7%	4.3%	8.7%	4.3%	23

TRADITIONAL VS. NON TRADITIONAL JOBS BY AGE

	25 OR LESS	26 TO 40	41 TO 55	56 AND OVER	TOTAL NUMBERS
TRADITIONAL JOBS	73.6%	85.0%	89.6%	91.3%	302
NON-TRADITIONAL JOBS	26.4%	15.0%	10.4%	8.7%	53

APPENDIX C

National Commission on Working Women

National Leadership

Elizabeth D. Koontz
Raleigh, NC

Willard Wirtz
Washington, DC

Congressional Representation

Edward W. Brooke
Boston, MA

Barbara A. Mikulski
Baltimore, MD

George Miller
Pleasant Hill, CA

Corporate Representation

Joseph J. Famularo
New York, NY

Nancy L. Lane
Raritan, NJ

William McCaffrey
New York, NY

Richard D. McCormick
Basking Ridge, NJ

C. Reid Rundell
Detroit, MI

Media Representation

John Mack Carter
New York, NY

Dorothy Jurney
Wayne, PA

Jan Miner
Bethel, CT

Female-Intensive Occupations Representation

Day Creamer
Chicago, IL

Ruby Duncan
Las Vegas, NV

Henen McKinnon
Red Oak, VA

Della Shuster
Bothell, WA

Betty Samora
Alamosa, CO

Bonnie Vaughn
Jackson, MI

Labor Representation

Patsy Lou Fryman
Washington, DC

Gloria T. Johnson
Washington, DC

Odessa Komer
Detroit, MI

Cynthia McCaughan
Washington, DC

Joyce D. Miller
New York, NY

Addie L. Wyatt
Chicago, IL

Educational Research Representation

Pamela A. Roby
Santa Cruz, CA

Barbara Mayer Wertheimer
New York, NY

APPENDIX D

Resource List

Absent from the Majority: Working Class Women in America, by Nancy Seifer; National Project on Ethnic America. New York: American Jewish Committee, 1973.

All the Livelong Day - The Meaning and Demeaning of Work, Barbara Garson; New York: Doubleday, 1977.

Black Women in White America, Gerda Lerner, Ed.; New York: Random House, 1972.

Born Female: The High Cost of Keeping Women Down, by Caroline Bird; New York: McKay, 1974.

The Conditions of Women in Blue Collar, Industrial and Service Jobs, by Pamela Roby; New York: Russell Sage Foundation, 1974.

The Economics of the Ghetto, by Carolyn Bell; New York: Pegasus, 1970.

"Everybody's Gal Friday", by Mary Kathleen Benet, Ms. Magazine, May, 1973.

Everything a Women Needs to Know to Get Paid What She's Worth, by Caroline Bird; New York: McKay, 1973.

The Forgotten Five Million: Women in Public Employment, by Catherine Samuels; Women's Action Alliance, 370 Lexington Avenue, Room 601, New York, NY 10017 ($5.00).

Getting Yours: How to Make the System Work for the Working Women, by Letty Cottin Pogregin; New York: Avon Publishing, 1976.

The Good Housekeeping Woman's Almanac, Barbara McDowell and Hana Umlauf, eds., New York: Newspaper Enterprise Assn,. Inc,, 1977.

1975 Handbook on Women Workers, U.S. Department of Labor, Women's Bureau, Washington, DC 20210 (Bulletin 297, $4.70).

Hours of Work When Workers Can Choose, Business and Professional Women's Foundation, 1975; 2012 Massachusetts Avenue, NW, Washington, DC 20036 ($2.00 prepaid).

"Household Workers A Challenge to Change", McCall's Magazine: October, 1968, by Sylvia Porter

"Know Your Rights: What You Should Know About Equal Employment Opportunity " (single copy free, U.S. EEOC Publications, 2401 E Street, NW, Washington, DC 20506).

Not Servants, Not Machines, by Jean Tepperman; Boston: Beacon Press, 1976.

Organize! A Working Woman's Handbook, c/o Union WAGE, Educational Committee, P.O. Box 462, Berkeley, CA 94701. ($2.50 plus 25¢.)

Our Bodies, Ourselves, Boston Women's Health Book Collective; New York: Simon and Schuster, 1971.

Pink Collar Workers - Inside the World of Women's Work, by Louise Kapp Howe; New York: G.P. Putnam's Sons, 1977.

The Secretarial Ghetto, by Mary Kathleen Benet; New York: McGraw Hill, 1972.

Sex, Discrimination and the Division of Labor, Cynthia B. Lloyd. ed., New York: Columbia University Press, 1975.

Sex in the Market Place: American Women at Work, by Juanita Kreps; Baltimore: John Hopkins Press, 1971.

"Small Change for Black Women", by Aileen Hernandez; Ms. Magazine, August 1974.

State-by-State Guide to Women's Legal Rights, by Shana Alexander; Wollstonecraft, 1975.

Still a Dream: The Changing Status of Blacks Since 1960, by Sar A. Levitan, William B. Johnston and Robert Taggard; Cambridge: Harvard University Press, 1975.

"There Must Be A Code of Standards", and "Who Are We", National Committee on Household Employment, 7705 Georgia Avenue, NW, Washington, DC 20012.

Time of Transition: The Growth of Families Headed by Women, by Heather Ross and Isabel Sawhill; Washington, DC: The Urban Institute, 1975.

Trade Union Women: A Study of Their Participation in New York City Locals, by Barbara Wertheimer and Anne Nelson; New York: Praeger Publishers, 1975.

U.S. Working Women: A Databook, 1977, U.S. Department of Labor, Bureau of Labor Statistics, GAO Building, 441 G Street, NW, Room 2011, Washington, DC 20212 (single copy free).

We Were There, The Story of Working Women in America, by Barbara Wertheimer; New York: Pantheon, 1977.

Women in Non-Traditional Occupations -- A Bibliography, 1976; U.S. Department of Health, Education and Welfare, Office of Education, Bureau of Occupational and Adult Education, Washington, DC 20202.

Women & The American Economy: A Look to the 1980's, by Juanita Kreps; New York: Prentice-Hall, 1976.

Women Working, Ann Stromberg and Shirley Harkness, eds.; Mayfield Publishing Co., 1978.

Women and the Workplace, by Martha Blaxall and Barbara Regan; Chicago: University of Chicago Press, 1976.

Women and Work, R & D Monograph 46, U.S. Department of Labor, Employment and Training Administration, Washington, DC 20213 (single copy free).

Women and Work in U.S. History, Business and Professional Women's Foundation, 2012 Massachusetts Avenue, NW, Washington, DC 20036 ($1.00 prepaid).

Working-Class Women and Grass-Roots Politics, by Kathleen McCourt; Bloomington: Indiana University Press, 1977.

Working Mothers, by Jean Curtis; New York: Simon & Shuster, 1976.

The World of Blue Collar Workers, I. Howe, ed.; New York: Quadrangel Books, 1972.

Dr. **Kerschner**. I hope we noted the judicial students that just left the room.

Senator **Pell**. Yes.

Mr. **McNeil**. My name is Don McNeil, and I am president of the University of Mid-America. I am speaking also for the Joint Council on Educational Telecommunications and the Coalition for Alternatives in Postsecondary Education.

The University of Mid-America is an experiment started several years ago, mainly at the sponsorship of Senator Eagleton, to put together a consortium of land grant and State universities in seven States: Minnesota, Missouri, North and South Dakota, Iowa, Kansas, and Nebraska.

Senator **Pell**. If I could interrupt for a second. Senator Eagleton would be here, but he is leading this debate on the floor now in connection with Cuba and the SALT Treaty.

Mr. **McNeil**. Yes, thank you.

This consortium was funded by the National Institute of Education, and basically it stood for four or five major points. The first is that it was designed to improve access. It was designed to provide quality instructional materials, and it was supposed to be cost-effective, because of the vast market out there.

Furthermore, it was to use a nontraditional approach. It was to use technology as the cornerstone, and it was to use the consortional approach to pool the resources.

I have in my statement several facts backing up the needs that have been outlined so well by this committee, and there are only two or three points that I would like to make.

The first is that technology is outrunning the educational establishment. With the advent of the satellites, we can now send to 155 different public broadcasting stations, programs for education, at approximately like $90 an hour, to all the people in the United States. Cable television is rapidly taking over in the United States. The computers are now, with the microcomputers as teaching devices, going to turn around education before the educators even know it. We also have video tape and the video disk, which are going to be great things in education, and now we are talking about interactive cable, such as the QUBE system in Ohio. This is where the Federal Government can help provide the impetus for educational institutes to adapt these new technologies.

I would point out that when we asked, in a study of 3 States, if the UMA courses were of any impact to them, we got a reply that 9 out of 10 thought it was a good use of taxpayers' money, and approximately 750,000 people in those 3 States, by our projections, actually viewed those educational materials.

The House version of title I has incorporated some of the suggestions we made back in February, and we support that part of the bill. However, I am proposing to the committee that they consider more specific language, which I will supply later in the day, because we have a little touchup to do, in which we ask for a $10 million grant system to be set up with the Secretary to provide institutions of higher education, give them incentive grants, with matching moneys, to move into the area of technology with consortia activities.

This proposal does three or four things. In the first place, it is based on incentives. It is based on consortia activity, either interstate or intrastate. It would be used for production, or dissemination, or utilization, or evaluation, to make sure that by pooling these resources a great number of people got the use of the technology-based-instructional packages. The institutions would have to submit a plan to say what barriers it would overcome, and how it would provide assistance for evaluation. Lastly, it would have a matching principle built in.

As I look at this committee today, I think for the first time higher education and elementary and secondary education are beginning to work together, and I see here a new title I alliance, unlike the ones that were formed back in 1965, and I think it is realistic to feel that this group representing labor, and retired persons, and land-grant colleges, and State colleges, and community colleges, and private colleges, that they would be willing to go out and help pass this legislation.

Therefore, we respectfully suggest that the Senate consider incorporating this $10 million incentive system into the present title I.

Thank you very much.

[The prepared statement of Mr. McNeil follows:]

TESTIMONY

SENATE SUBCOMMITTEE ON EDUCATION, ARTS AND THE HUMANITIES

OCTOBER 3, 1979

DONALD R. McNEIL

PRESIDENT

UNIVERSITY OF MID-AMERICA

My name is Don McNeil and I am president of the University of Mid-America, a nontraditional educational program of 11 state universities in the states of Minnesota, Iowa, Missouri, Kansas, Nebraska, South Dakota and North Dakota.

As a young assistant to the president of the University of Wisconsin 15 years ago, I was one of several architects of the original Title I of the Higher Education Act of 1965. I can still remember our great expectations as we appeared before the congressional committees outlining what we thought would be a dynamic program for serving underserved adults.

In the ensuing 15 years, our dreams and hopes for Title I have not been fulfilled, and for a variety of reasons, including too little money, the lack of commitment within institutions of higher education, and too many of the so-called "regular" students to handle in the decades of the '60s and '70s. Even when enrollments began to decline and the student population began to change--from the average high school graduate to the adult learner--federal and state interest in this new underserved audience remained static. The Mondale amendment on Lifelong Learning was not funded, and the establishment of the 1202 Commissions only tended to divide the house with few practical programs inaugurated as a result.

Now, however, several forces are at work to revive our hopes that federal grants may start a new initiative in higher education to help the nontraditional learner. In the first place, the steady state enrollments are causing increasing concerns on the part of the higher education establishment and underserved audiences are becoming a legitimate concern of those institutions which once were not wedded to the idea of extending their learning opportunities beyond the campuses in new and innovative ways. In its last triennial survey, the National Center for Education Statistics reported that part-time enrollments were increasing at a faster pace than full-time enrollments and that, by 1975, part-time students accounted for 62% of all participants in postsecondary education. In 1975, there were 17 million adults engaged in education nationwide. That was 11.6% of the total adult population.

Secondly, technology is developing so rapidly that there now are increasing numbers of new ways to serve learners economically and in new settings. The advent of the satellite, the development of cable systems, the increasing effectiveness of computers as they get smaller and smaller and carry more and more information, the development of two-way interactive systems such as QUBE, the widespread use of videotape and the video disc, which is just over the horizon. A host of new developments will provide new opportunities for that vast segment of unserved learners in the nation.

Furthermore, we are beginning to learn a great deal more about these learners. In the University of Mid-America system, for example, we are finding that many adults simply will not choose to go to a campus because of the inconvenience of giving up a portion of the workday, interference with the routine of family life, or inability to meet a regular schedule because of other types of responsibilities. In some cases, as indicated by learner comments, fear of failure keeps an adult from attending a traditional program.

One learner, a middle-aged woman from a small town in South Dakota, told us recently that she had always wanted to go to college, "but with the children, there was no way. I was married right after high school, and then helped put my husband through college," she said. "Later, I was afraid to go myself. But this way, I could see whether or not I could succeed, without failing on the campus."

After successfully completing several college courses through a program which uses broadcast television and printed materials mailed to her home, she said her study had "been worth a billion dollars to me." She told us her "self-confidence has gone up tremendously, and it seems to me my family's confidence in me has improved."

In the University of Mid-America system we find that many of our enrollees are very much like this resident of South Dakota, one of the states in our consortium. About 75% of those who enroll throughout the UMA system are women, their average age is about 37, they tend to have some college already. Our recent study of 11 institutions offering television courses in all parts of the country indicates that the demographic data collected are about the same across all those institutions--the average age was 34, some college in the background, about 60% female.

In one of the recent studies that we conducted at the University of Mid-America we attempted to go back three or four years to the original enrollees in Nebraska, the first of the consortium members. We found: (1) That of the students who participated in the first three offerings through this program, 49% have since continued their education in some way. (2) Of those who did continue their education, 44% credited the program itself as having the major impact on their decision to continue their education. (3) Only 37.5% indicated they would have enrolled in a classroom setting if the mass media program was not available to them. And, 47% said a desirable occupational change has occurred in their lives since their participation in the program and, of those, more than one-third credited the program itself for that occupational change.

A recent study of instructional television viewers in South Dakota, Iowa and Missouri indicated that 700,000 adults in the three-state area watched one or more of the television segments of UMA-sponsored courses but chose not to enroll in them. When we asked why they viewed instructional programs, 53% said for enjoyment, 41% wanted to learn about the topic and 6% said they were interested in increasing job skills. Ninety-eight per cent of the sample said it was either very important or fairly important to have a UMA-sponsored program available to the public in their area, and about 9 out of 10 felt the program was a good use of taxpayer money.

The Congress may well ask if federal support to institutions such as ours makes a difference. We say that it has made a tremendous difference in mid-America. Nine of the eleven institutions inaugurated a delivery system incorporating telecommunications as a result of participation in the University of Mid-America.

We believe other regions--indeed the whole nation--can benefit from our experience. We know that the House had incorporated some of our recommendations into Title I, especially in Section 106, and we support that version. But we suggest that the language be made more specific and would like to reintroduce to this committee some language we at first proposed to the Administration and the House committee (Attached).

Our proposal includes the following features:

First, it provided for incentive grants to coalitions or consortia of existing institutions of higher education. Second, the grants would be made for production or utilization or evaluation of alternative forms of higher education through the use of educational technology. Third, each consortia would prepare a plan stating which barriers to access it would overcome and what the evaluation process would be.

Therefore, we propose that this specific program be attached to Section 106--as an additional part with a separate authorization to secure the kinds of benefits which only interstate efforts can bring to American postsecondary education and to vast numbers of presently unserved or underserved learners.

This proposal suggests a modest federal role which would encourage existing institutions to develop and utilize alternative forms of educational development and delivery to benefit those learners who cannot attend a campus full time, and particularly those for whom attendance on a regular schedule is not possible.

It supports the contention that education should be made conveniently available to larger numbers of Americans on their terms, at times and places convenient to them.

JCET
JOINT COUNCIL ON EDUCATIONAL TELECOMMUNICATIONS
1126 Sixteenth Street N.W., Washington, D.C. 20036
202 / 659-9740

07/79

MEMBERSHIP LIST

Agency for Instructional Television (AIT); Bloomington, IN

American Association for Higher Education (AAHE); Washington, DC

American Association of Community and Junior Colleges (AACJC); Washington, DC

American Association of School Administrators (AASA); Rosslyn, VA

American Council on Education (ACE); Washington, DC

American Library Association (ALA); Washington, DC/Chicago, IL

Association for Educational Communications and Technology (AECT); Washington, DC

Corporation for Public Broadcasting (CPB); Washington, DC

Council of Chief State School Officers (CCSSO); Washington, DC

Great Plains National Instructional Television Library (GPNITL); Lincoln, NB

Indiana Higher Educational Telecommunication System (IHETS); Indianapolis, IN

Maryland Center for Public Broadcasting (MCPB); Owings Mills, MD

Mississippi Authority for ETV; Jackson, MS

National Association of Educational Broadcasters (NAEB); Washington, DC

National Association of State Universities and Land-Grant Colleges (NASULGC); Washington, DC

National Catholic Education Association (NCEA); Washington, DC

National Education Association (NEA); Washington, DC

National Instructional Telecommunications Council (NITC); Williamsburg, VA

National Public Radio (NPR); Washington, DC

National University Extension Association (NUEA); Washington, DC

New Jersey Public Broadcasting Authority (NJPBA); Trenton, NJ

Ohio Educational Television Network Commission (Ohio ETV); Columbus, OH

Pennsylvania Public Television Network (PPTN); Hershey, PA

Public Broadcasting Service (PBS); Washington, DC

Virginia Public Telecommunications Council (VPTC); Richmond, VA

-JCET-

Senator **Randolph**. May I have the opportunity to make a comment?

Mr. Chairman, if you will give me the opportunity, because I must soon be at another place.

Earlier today we were considering the needs of handicapped children in our school system, under the recent law, where we have had problems arise, but where progress is being made. You speak about a computerized educational program. You do not use that term, but that is what you stress, that is very prevalent, perhaps it is the educational process of today.

I am one that believes that there has to be a human side to teaching. I think this is very, very important. I remember in my college days, as I look back, I remember, President McNeil, those professors who were able to talk with me after class. You cannot do that with television, and you cannot do it with the professor way off there where you cannot see him, as I was in a university the other day with 300 in the class.

I do not want to be a throwback to yesteryears, but I think with all of the modern techniques, which I know have a very real contribution to make, that if we try to just rely upon a streamlined form of education, through television, and so forth, why we are not meeting the problem, as I understand it, completely.

Would you discuss this just briefly, if that is agreeable?

Mr. **McNeil**. Senator Randolph, I am delighted to do that, because one of the problems of a 5-minute presentation is that we have to cut back and cut back.

Let me tell you that I agree with you, and one of the problems of the technology people is that they wanted to substitute, in the early days, for that human interaction, the media, in whatever form it took, whether it was computer or television, and it is simply not right.

What we are saying is that the standard 50-minute hour, 3 times a week, for 16 weeks, may be a thing of the past with the advent of technology; that our human interaction may be in quite different forms. It may be once a week, it may be once every 2 weeks. We know that technology can step up the learning process. With human interaction—I would in no way say that we should eliminate that.

In all of our programs that we broadcast, these courses are given by our 11 member institutions, in those 7 States. They have professors who monitor the courses, who are available, either by telephone, or traveling around the State, or however they work it out. But I agree with you, if we forget that human interaction in education, then we do not deserve to be called educators. It may take new forms, however, that computerized instruction, for example, can relieve the professor of a lot of lecturing on basic information staff that bears repetition and memorization, and then they can use the professor in a good way.

I would like to say one other thing. You talked about handicapped children. You talk about technologies being a means of standardized information for teachers and school boards, and the handicapped families themselves. With the right use of that at the local and the State level and with the interaction, we could provide streamlined training, if you will, mixed with human interaction that would help the handicapped problem in this country.

Senator **Randolph**. Well, we do not have, in our college programing, much in the way of instruction or frankly, training for teachers, to prepare them to move out into this new area of teaching the handicapped individual as required by the law.

Mr. **McNeil**. That is right.

Senator **Randolph**. We in West Virginia now are short 100 teachers in our special needs programing, in the 55 counties as a whole. In our State alone we have 30,000 handicapped children in our schools, and we are trying to serve them. It is difficult, and there are many problems.

I did not want to detract from what you were saying, but only to reiterate what you have expressed, in a very articulate, and I think meaningful way, that this human interaction in education must never be phased out. It has got to stand up there and be very much a part of our program. I would appreciate time to make one other comment, and it will only take 60 seconds or less.

I am a strong believer in our system of public schools, and in the Federal support they receive, as well as funding that goes to support State institutions of higher learning. Of course, in our State there are two universities, and many colleges, including community colleges. But I do want to put a word in here today, because perhaps someone will forget it. There is a great body of teaching that is done by the independent colleges throughout this country. We never should forget that contribution being made on the campuses of independent colleges throughout the United States.

Independent colleges are having difficult days. They do not receive State aid; they do not have access to funding that others have, and I would not deny to them. But what a tremendous contribution they are making through dedicated and knowledgeable teaching staffs.

I know this is true of Salem College that means so much to me, and I know it is true of other independent colleges throughout the country. So a mix of technology and human interaction between teacher and student that you are describing will occur during these broadcasts—is that true?

Mr. **McNeil**. Yes.

Senator **Randolph**. Thank you very much.

Senator **Pell**. I think by the process of elimination, the next witness is Mr. Donald Crawford, associate vice provost, the office of continuing education, Ohio State University.

Mr. **Crawford**. Thank you, Senator Pell.

I am Don Crawford, associate vice provost, office of continuing education, Ohio State University. I represent the National University Extension Association. This association is the national organization representing university continuing education programs, and the millions of adult part-time students that they serve.

We are pleased to have an opportunity to testify. In presenting our testimony, we should like very briefly to consider title I in the context of other features of the Higher Education Act related to adult students, and these provisions are amendments to title IV, to assure equitable treatment of adult students in student aid programs, title I itself, and the proposed Urban Grant University Act.

If I may, I might turn briefly, first to title IV regarding student assistance. We fully support and strongly urge the Senate to approve amendments in the House bill that:

First, require the same treatment of dependent students and independent students with dependents in determining expected family contributions from income in computing entitlements for BEOG and SEOG grants.

Second, authorize colleges and universities, if they so desire, to use part of their SOEG funds for grants to students who are studying less than half time.

The administration's bill does not deal with either of these important issues, although the administration's proposed family contribution schedule for fiscal years 1980 and 1981 does recognize that independent students have been denied equity. We would therefore fully support the House approach to these needs.

Who are these adult students with whom we are expressing our concern? They are working men and women who, when they graduated from high school, were unable to go to college or were not motivated to do so and who, in later years, often with low incomes and family responsibilities, want to prepare for better lives through education as part-time students.

Divorced and widowed mothers who must support their families and need education and training to get jobs and to escape a welfare existence.

Women whose family responsibilities are at a stage permitting them to enter the work force, but who need education to do so.

People in midcareer in field of declining employment who must prepare for new careers.

People who seek new careers with greater opportunity in which they can be more productive and better citizens. These students are inequitably and inadequately served by the present BEOG and SEOG programs.

At the heart of the problem are the assessment rates applied to discretionary income in determining expected family contribution. Clearly, in a given family a given expenditure for education has the same effect on family living when a parent is a student as when a child is a student. Yet if the dependent child is a student, discretionary income is assessed at 10.5 percent and if the parent is a student discretionary income is assessed at 40 percent or 50 percent depending on family size. The result of this is that:

A widow with one or more children who wants to get an education to better support and educate her family.

A young man of 25 years with a wife and children who wants an education to escape a dead-end job, be more productive and better support his family.

Is denied student aid or provided very inadequate assistance compared to the aid given an 18-year-old dependent child.

In the same family a child may receive financial assistance while either parent as a part-time working student may receive none.

Briefly, we suggest that assuring equitable treatment of all needy students should be a top priority goal in amending the Higher Education Act.

We commend the committee for those actions. We urge that you now provide full equity for dependent and independent students with dependent students by requiring equal treatment of income in computing expected family contribution.

Second, we support in principle the title I included in the House bill. We recommend its support by the Senate, but recommend that the bill be amended to:

First, assure that States use a major part of the State grant program funds for support of continuing education programs, and

Second, limit grants made by States to nonprofit institutions whose primary function is education.

We need title I, as has been testified by other people here, first of all, to serve the special needs of adult learners.

Included are programs leading to baccalaureate degrees, associate degrees, and certificates as well as programs designed to serve needs of adults that do not offer credit.

However, the greatest need for funds is to help finance the development and delivery of programs to serve inadequately served needs—therefore our recommendation that States be required to use a major portion of the State grant program funds for continuing education programs.

We recommend limitation of grants made by the States to nonprofit educational institutions. We believe the Higher Education Act should be limited to support of higher education institutions and students.

If I might have 30 seconds to make two additional points, Senator. On the Urban Grant Universities bill itself, we support and urge the Senate to adopt title XI of the House bill to provide support of Urban Grant Universities.

We have only two concerns in this matter, and that is, first of all, cities, towns, and other areas outside of SMSA's of 500,000 or more are authorized no assistance. These areas have the same kinds of problems as the large SMSA's. They have the same needs for assistance from universities.

We strongly recommend that part A of title I in the administration's bill be adopted to provide a companion program to title XI.

I think there are other matters discussed in detail in our statement.

Thank you.

[The prepared statement of Dr. Crawford follows:]

Testimony
of
The National University Extension Association

on

Equity for Independent and Part-time Students in the Reauthorization of The Higher Education Act

Presented by
Dr. Donald E. Crawford
Associate Vice Provost
Ohio State University
Columbus, Ohio

To The
Subcommittee on Education, Arts and The Humanities
Committee on Labor and Human Resources
U.S. Senate

October 3, 1979

This testimony is presented on behalf of the National University Extension Association. This Association is the national organization representing university continuing education programs and the millions of adult part-time students they serve.

While the testimony today is to be devoted to Title I of the Higher Education Act, we wish to take the opportunity to briefly discuss other Titles and proposed Titles of the Act which directly relate to the needs of adult part-time students and the colleges and universities that serve their needs. We do not believe that these various portions of the Act should be viewed in a vacuum but as pieces of a unified whole which will serve the needs of people in an organized way. We will therefore discuss:

-- Amendments to Title IV to assure equitable treatment of adult students in Student Aid programs,

-- Title I, and

-- The proposed Urban Grant University Act.

Title IV - Student Aid

We fully support and strongly urge the Senate to approve Amendments in the House bill that:

1. Require the same treatment of dependent students and independent students with dependents in determining expected family contributions from income in computing entitlements for BEOG and SEOG grants.

2. Authorize colleges and universities, if they so desire, to use part of their SEOG funds for grants to students who are studying less-than-half-time.

The Administration's bill does not deal with either of these important issues, although the Administration's proposed family contribution schedule for FY 80-81 does recognize that independent students have been denied equity. We would therefore fully support the House approach to these needs.

Reasons for the Recommendations

The "independent," "non-traditional," adult part-time students are dedicated, hard-working, tax-paying citizens trying to advance in their work, prepare for better jobs, become more productive citizens and enjoy more satisfying lives. They see education as an important means of achieving these objectives.

Included among these students and potential students ~~are such~~ people as these:

-- Working men and women who, when they graduated from high school, were unable to go to college or were not motivated to do so and who, in later years, often with low incomes and family responsibilities, want to prepare for better lives through education as part-time students.

-- Divorced and widowed mothers who must support their families and need education and training to get jobs and to escape a welfare existence.

-- Women whose family responsibilities are at a stage permitting them to enter the work force but who need education to do so.

-- People in mid-career in field of declining employment who must prepare for new careers.

-- People who seek new careers with greater opportunity in which they can be more productive and better citizens.

These students are inequitably and inadequately served by the present BEOG and SEOG programs.

At the heart of the problem are the assessment rates applied to discretionary income in determining expected family contribution. Clearly, in a given family a given expenditure for education has the same effect on the family living when a parent is a student as when a child is a student. Yet if the child is a student, discretionary income is assessed at 10.5% and if the parent is a student discretionary income is assessed at 40% or 50% depending on family size. The result of this is that:

-- A widow with one or more children who wants to get an education to better support and educate her family.

-- A young man of 25 years with a wife and children who wants an education to escape a dead-end job, be more productive and better support his family --

Is denied student aid or provided very inadequate assistance compared to the aid given an 18 year old dependent child.

-- In the same family a child may receive financial assistance while either parent as a part-time working student may receive none.

These provisions say that it is the public policy to support the education of 18 - 22 year olds but not the education of people a few years older who are working and paying taxes and who have found a real purpose for obtaining education. These provisions seem to say that it is more in the public interest to support the education of 18 - 22 year olds than the education of people a few years older, motivated working adults.

We suggest that assuring equitable treatment of all needy students should be a top priority goal in amending the Higher Education Act.

In the Middle Income Student Assistance Act the Congress took important steps in providing greater equity of treatment for independent students. We commend the committee for those actions. We urge that you now provide full equity for dependent and independent students with dependent students by requiring equal treatment of income in computing expected family contribution.

In the case of the single independent student your recent action in raising the subsistence allowance has made great progress toward equitable treatment. We believe, however, that further improvement is needed through a lowering of the 75% assessment rate on income. We do not have data to tell us just how single independent students should be treated to provide equity. We believe the Secretary should make a special study of this issue and then develop an appropriate "expected family contribution schedule" for these students.

Not all adult students are able to arrange their work and family responsibilities to take half of a full course load every semester. They may, however, be just as needy, just as motivated and dedicated as those who are students half-time or more. Equity of treatment demands that these needy students be able to receive assistance in achieving their educational goals. The House provisions that permit use of SEOG funds for this purpose will provide this equity of treatment. We urge your support of those provisions.

Adult and Part-Time Students Described

According to NCES data in 1975, 3.6 million people enrolled in courses for credit as part-time students at two-year and four-year educational institutions. Of those, about 1.6 million had completed 4 years of college. Half of this group had family incomes of less than $15,000. About three fourths were less than 35 years old. A high proportion of the part-time students are "independent" according to Office of Education criteria.

Preliminary NCES enrollment data for 1979 indicate that of 11.3 million students enrolled at all institutions, about 41 percent are enrolled on a part-time basis.

Other data indicate that approximately 60% of the part-time students are half-time or more.

Assuming that in 1979, 55% of the students are at the undergraduate level as in 1955 and that 60% are half-time or more, the 1979 population of part-time undergraduate students who are half-time or more would appear to be about 1.6 million, or 14 percent of the undergraduate student population.

Unpublished census data for 1975 indicate that of the students who were heads of households or spouses, 43 percent had family incomes of less than $15,000, compared to 23 percent of the dependent students. Combining these data it appears that about 190,000 students are heads of households or spouses with family incomes of less than $15,000.

Office of Education data shed some light on the size of the families of independent students and their incomes. The data describes those students who applied for BEOG grants. Of course many did not apply. The applicants included about one and a half million full-time students and 900,000 part-time students. About 60 percent of the part-time and 75 percent of the full-time independent students who applied had incomes of less than $15,000.

Of all the independent students who applied 20 percent were single indpendent students. About 25 percent had a family size of 2 and 55 percent a family size of three or more. The applicants with a family size of three or more and family income below $15,000 were 38 percent (600,000 applicants) of all applicants.

These data, of course, are not enough to tell us the extent of financial need. But they do indicate the magnitude of it.

No one knows how many more adults would become students if they had more adequate help with their costs of education. There have been several studies that indicate that the cost of education is the major deterrent for many people who want to study as part-time students.

For example, the Vice Provost at the University of Cincinnati reports that "our records indicate that over 45% of the students registering through continuing education at the University of Cincinnati for the first time request financial assistance. Winter quarter of 1979, the only people who did not complete enrollment (who were seen by a counselor) were those who could not go to college without financial assistance." He also reported that in a recent survey in Cincinnati, 35% of the people who wanted to enroll did not do so for financial reasons. A study of prospective adult students in Youngstown, Ohio, a city with heavy unemployment, indicated that 56% did not enroll because of the costs of education. No one knows how many of these people would actually become students if more adequate student aid were available.

Title I

We support in principle the Title I included in House. We recommend its support by the Senate but recommend that the bill be amended to:

1. Assure that states use a major part of the State Grant Program funds for support of continuing education programs, and

2. Limit grants made by states to non-profit institutions whose primary function is education.

Reasons for the Recommendations

Continuing education programs are conducted by colleges and universities at times and places convenient for adults who study on a part-time basis while working and maintaining family responsibilities. Programs are designed to serve the special needs of adult learners. Included are programs leading to baccalaureate degrees, associate degrees and certificates as well as programs designed to serve needs of adults that do not offer credit.

Such programs frequently involve costs not involved in regular on-campus instruction and require small classes, particularly in sparsely settled areas.

Most continuing education programs are financed with fees paid by the participants. With this constraint many needs of potential students are unserved, particularly needs of the poor and people in areas of sparse population.

Small amounts of grant funds can enable institutions of higher education to more fully serve the needs by providing funds for program development, paying a part of the costs of programs that cannot enroll enough paying students to cover the program costs, and in other ways, such as providing "risk capital" for pilot projects and innovative programs to serve high priority needs.

Particularly as student aid programs more equitably support adults, there is an important need for expanded educational and counseling services -- to help people know about opportunities and select among them in light of their own special situations.

Support of state planning that helps educational institutions recognize inadequately served needs for education and to plan to serve these needs can contribute to the overall effectiveness of the educational system. As a matter of fact, much planning is already taking place on a state-wide bases and several states have groups already established for that purpose.

However, the greatest need for funds is to help finance the development and delivery of programs to serve inadequately served needs -- therefore our recommendation that states be required to use a major portion of the State Grant Program funds for continuing education programs.

We recommend limitation of continuing education Grants made by the states to non-profit educational institutions. We believe the Higher Education Act should be limited to support of education programs conducted by higher education institutions and to students. Information and counseling services conducted with state Grant funds might well be conducted by a variety of types of organizations.

Urban Grant Universities

We support and urge the Senate to adopt Title XI of the House bill to provide support of Urban Grant Universities.

However, we have two concerns with this proposal:

1. Cities, towns and other areas outside of SMSA's of 500,000 or more are authorized no assistance. These areas have the same kinds of problems as the large SMSA's. They have the same needs for assistance from universities.

2. Many universities, particularly state universities and land-grant colleges, serve all areas of their states but are inadequately funded in their public service, problem-solving roles. We believe these institutions and their roles should be recognized and supported along with the urban universities.

We strongly recommend that Part A of Title I in the Administration's bill be adopted to provide a companion program to Title XI. Part A would provide for services to all areas, including areas not eligible for assistance under the proposed Title XI, and enable established public service universities to meet needs of those jurisdictions more adequately. Part A of the Administration's bill should be included as a "Part" in the new Title I.

While we recommend adoption of Part A of the Administration's bill, we have identified a number of technical changes that will substantially improve the Part. These changes are attached to this testimony.

Advisory Council

We also recommend that the Higher Education Act include authority for a National Advisory Council on Continuing Education. We believe such a Council, to advise with respect to the administration of all Federal programs providing support to higher continuing education can make important contributions to coordination among these programs and to effective uses of Federal funds. Such an Advisory Council should include representatives of educational institutions, state education agencies and the adult populations served by continuing education programs.

Summary

The provisions we recommend for Title I, Title IV and Title XI should be seen as a coordinated approach to legislation to serve educational needs of adults. It is of paramount importance that adults be provided equitable treatment in student aid programs. This needs to be accompanied by support for educational institutions to help them provide programs serving the needs of adults and by information and counseling services. Problem-solving university services should be provided to all government entities on an equitable bases.

TITLE I -- AMENDMENT TO TITLE I OF THE HIGHER EDUCATION ACT OF 1965

Community Service and Continuing Education Programs

Sec. 101. Title I of the Act entitled "An Act to strengthen the eudcational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education", approved November 8, 1965, (P.L. 89-329), as amended, also known as the Higher Education Act of 1965, is amended to read as follows:

"TITLE I -- ~~COMMUNITY~~ COLLEGE AND UNIVERSITY PUBLIC SERVICE AND CONTINUING EDUCATION PROGRAMS

"Part A - ~~Community~~ COLLEGE AND UNIVERSITY PUBLIC Service Programs

"Appropriations Authorized

"Sec. 101. For the purpose of assisting the people of the United States in the solution of ~~community~~ PUBLIC problems ~~relating to housing, poverty, recreation, employment, youth opportunities, transportation, health, and land use~~ IN SUCH FIELDS AS ENERGY CONSERVATION, HOUSING, TRANSPORTATION, HEALTH, ENVIRONMENTAL PROTECTION, NATURAL RESOURCE CONSERVATION AND USE, ECONOMIC DEVELOPMENT AND EMPLOYMENT by enabling the Secretary to make grants under this title to establish and strengthen ~~community~~ PUBLIC service programs of colleges and universities, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years ending prior to October 1, 1985.

"Definition of ~~Community~~ COLLEGE AND UNIVERSITY PUBLIC Service Programs

"Sec. 102. For purposes of this part, the term '~~community~~ COLLEGE AND UNIVERSITY PUBLIC service program' means an educational program, activity, or service, including research which is designed to assist in the solution of ~~community~~ PUBLIC problems in rural, urban, or suburban areas, with particular emphasis on the problems of the Nation's urban centers, where the institution offering such program, activity, or service determines --

"(1) that the proposed program, activity, or service is not otherwise available, and

"(2) that the conduct of the program or performance of the activity or service is consistent with the institution's overall educational program and is of such a nature as is appropriate to the effective utilization of the institution's special resource and the competencies of its faculty.

~~Where-course-offerings-are-involved,-such-courses-must-be --~~

~~"(A)--fully-acceptable-toward-an-academic degree,-or~~

~~"(B)--of-college-level-as-determined-by-the institution-offering-such-courses.~~

"Project Assistance

"Sec. 103. (a) The Secretary is authorized to make grants to institutions of higher education and to combinations of such institutions (INCLUDING INTERSTATE COMBINATIONS) to assist them to establish or strengthen ~~community~~ PUBLIC service programs that are designated to assist in the solution of ~~community~~ PUBLIC problems. The Secretary may designate the solution of one or more problems associated with rural, urban or suburban communities to be a national priority.

"(b) Any institution of higher education desiring to receive a grant under this part shall submit to the Secretary an application therefor, in such manner, and containing such information as the Secretary may by regulation require. An application submitted under this section must show that the chief executive of the local agency or agencies of general government within whose jurisdiction fall the needs to be addressed by the project or projects described has been afforded a reasonable opportunity to review and comment upon the proposed project or projects. In making grants, the Secretary shall consider whether (1) the proposed program addresses a problem whose solution has been designated a national priority, (2) WHETHER THE PROPOSED PROGRAM WILL PROVIDE KNOWLEDGE TO IMPROVE UNDERSTANDING OF A PUBLIC PROBLEM OR PROBLEMS, POSSIBLE SOLUTIONS TO THESE PROBLEMS, AND SKILLS USEFUL IN DEVELOPING AND APPLYING CONSTRUCTIVE ACTION AND/OR WILL ENCOURAGE APPLICATION OF SUCH KNOWLEDGE, (3) THE COLLEGE OR UNIVERSITY HAS THE RANGE OF SUBJECT MATTER AND PROGRAM DELIVERY COMPETENCIES REQUIRED FOR EFFECTIVELY EXECUTING THE PROPOSED PROGRAM, (4) THE PROPOSED PROGRAM IS OF SUFFICIENT SCOPE AND IS PLANNED TO HAVE SUFFICIENT DURATION AND CONTINUITY TO MAKE IMPORTANT IMPACTS ON AMELIORATING THE PROBLEM OR PROBLEMS AT WHICH IT IS DIRECTED, (5) THE PROPOSED PROGRAM IS CONSISTENT WITH ANY APPLICABLE STATE PLAN PROVIDING ROLES OF INDIVIDUAL EDUCATIONAL INSTITUTIONS, and (6) there is evidence in the application of ~~(1)~~ (i) the participation of such local agency or agencies of general government in the development of the projects for which assistance is requested under this section; ~~(2)~~ (ii) local government and community participation in the implementation of the proposed project or projects; and ~~(3)~~ (iii) a commitment by such local agency or agencies of general government to pay a portion of the non-Federal share of the cost of such project or projects required by section 104(a).

"(c) The Secretary may request the advice of any Federal agency he considers appropriate before approving an application for project assistance under this section.

"Limitations

"Sec. 104. (a) No grant under this part shall exceed ~~66-2/3~~ 90 per centum of the cost of the project for which assistance is granted.

"(b) In allocating assistance under section 103, the Secretary shall endeavor to achieve broad and equitable geographical distribution throughout the Nation.

"(C) THE SECRETARY SHALL ESTABLISH PROCEDURES TO AVOID DUPLICATION BETWEEN PROGRAMS PROVIDED UNDER THIS PART AND PROGRAMS PROVIDED UNDER TITLE XII AND UNDER THE SMITH LEVER ACT OF 1914 AND TO PROVIDE NEEDED COORDINATION WITH THOSE PROGRAMS.

Senator PELL. Thank you very much indeed.

We will go over the very specific suggestions that you have.

I was struck, Dr. McNeil, in connection with your talk about computers. With all these new learning devices, we still have not been able to improve the computer in man's mind to enable us to transfer the body of knowledge into the person's mind. It is still being done the same way it was with Socrates, Plato, and Aristotle a few years ago.

Do you think there have been any improvements made?

Mr. McNEIL. I am sorry, Senator?

Senator PELL. Do you think there have been any improvements made in getting a body of knowledge into a person's mind?

Mr. McNEIL. Yes, I think there is. You say have there been?

Senator PELL. Have there been?

Mr. McNEIL. Yes, there have been.

Senator PELL. You really believe that?

Mr. McNEIL. Yes, I do. I think, again, coming back to Senator Randolph's point, that without that interaction in the learning process it is not going to be very effective, but I think that a lot of the material we get in undergraduate and in some training programs would permit a standardized transmission of information that can be done with technology, and then saving the professor or the teacher or instructor, whatever you call them, to really talk about concepts and theories, and all of the other things that go with that.

But, you know, you take the videodisc, which is coming over the horizon very shortly, that is connecting the computer with video, and that means that you have instant playback facilities, like you do with a book, if you will, that is going to have visual as well as being able to read on your television screen, your learning center television screen, or campus television screen, back and forth, and you can learn by yourself, in self-paced instruction. After you have that basic knowledge, you then need to have what Senator Randolph calls that interaction between the professor, but I think a great many improvements have been made by the computer people, and the video people, in instructional design, and trying to transmit that knowledge in an effective way.

The University of Mid America has a two-semester course called the history of Japan, and you could read all you want about Japan, and Edmund Reischauer, who headed up this particular project and is the narrator on part of it. But the fact is, you cannot capture modern Japan in any other way than seeing some of the scenes that were photographed in Japan, or come out of the Japanese archives.

Now, that is supplementary. There is a lot of transmitted material that still has to be done by the person.

The last point I would make is that if you are suggesting that we want to do away with books, I do not agree, because the fact is that most of the mediated instructional packages that are in the world today, including the British Open University. The transmission of knowledge is still by opening a book, or a study manual, and we support that. But it can be terribly good in a supplementary way.

Senator PELL. Thank you.

As you know, in the administration's bill, the authorization for part B of the new title I would be such sums, which is an elastic term.

Do any of you have any suggestions as to what an appropriate authorization figure should be? I am sure you would like it to be as large as it can be.

Do you think that the proposals before us today, the administration and the House proposals, basically satisfy the Federal commitment to lifelong learning?

Would any of you care to comment on that thought?

Dr. **Kerschner**. We think, Senator, that the House version goes a long way toward doing this, yes. We feel that the questions that you have raised this morning, of where learning takes place, and under what conditions, that the House version recognizes that learning takes place in nontraditional settings, as well as in nontraditional methods, also recognizing that the Federal Government has a specific role to play in providing moneys to innovative and creative projects that may take place both within the traditional university or 2-year setting, or on the nontraditional setting. We are supportive of the House version.

Senator **Pell**. Ms. Goodin?

Ms. **Goodin**. Yes, I just wanted to mention, of course, we are here trying to gain recognition of a particular population, as a special needs population, to be integrated throughout the statute.

One thing in particular I would like to mention that we feel is very important, that is that the annual evaluation report, and the renewal evaluation report, which are required by sections 417 and 418 of the General Education Provisions Act, also require looking at this by sex. We understand now that that is not a part of that provision, and we think it is very important, in order to be able to assess the progress, and to evaluate the results, that that be included, and particularly with regard to working women.

Thank you.

Senator **Pell**. Mr. Hanford?

Dr. **Hanford**. I would just like to say, Senator Pell, that it seems to me a number of us have spoken on behalf of special groups, and I think there is some concern that in serving special groups the quality of education itself may be put second.

I just want to say that I do not think that service to women, or to disadvantaged nonparticipants in adult education, means that the quality of education has to suffer.

Mr. **Hutton**. Senator Pell, the House bill did not contain everything that we hoped it would. We certainly support the House version. We have one reservation about the procedures that labor unions must go through in order to get labor studies programs from various tax supported State institutions.

We feel that in the 18 or 19 right-to-work States that we may again have the experience that we had recently in North Carolina, where North Carolina, the University of North Carolina was blocked from providing a rather standard labor education program to the unionists in that State. We are greatly concerned about that.

We would hope that maybe you would take a look at that. In the House bill, it says that they may—labor education—be provided, but if we have a repeat of the 1978 North Carolina experience, they may not, and I would hope that your committee could take a hard look at that.

Senator PELL. Thank you very much.

Did you want to say something?

Mr. CRAWFORD. If I might. Perhaps they can hear me without the microphone. At NUEA, we would like to commend Senator Pell for his commitment as a pioneer in support of student financial aid.

We would hope that when the provisions for student financial aid are considered this time, we are able to close the loop in providing access to the part-time students and to the adult student who is less than a part-time student. I think that when we get to the point of providing support for women with the responsibility for sole support of the family, who has difficulty attending college and can only do so part time while working full time at a menial task, that, when we provide access for such students, we will have indeed rounded out a superb program of financial assistance.

Second, on the issue of quality. I think those of us who are teachers in higher education, or administrators in higher education, recognize the unusual dimension that the adult student lends to the classes they attend. Time and time again our professors at the university commend the adult students for their enthusiasm, their commitment, their hard work in coming to classes at unusual hours, and unusual times, and giving the professor and the instructor a real run for their money. I think the adult part-time student lends a great deal to the classroom. I think they add an extraordinary dimension to the perspectives of the 18- and 21-year-old students who can see then the span of concern, knowledge, and experience of many generations that the adult student can provide.

Senator PELL. I appreciate those remarks very much. We have to consider everything from the national interest viewpoint as well. I agree that older students add a great deal to a class, but when you consider the amount of useful years that the youngster will contribute to the community, as a whole, you have to weigh that in the decisionmaking process.

For instance, is one justified in using taxpayers' money to have a man get a degree, when he is 50 or 60, when if he is 20 he would be able to add to the wealth of our Nation by an additional 30 years or so? This is a question that we have to consider.

Some segments of education, such as medical schools, do not like to take in students who are in their late thirties.

Dr. KERSCHNER. I would be remiss if I did not react.

The issue of the contribution of older individuals to the society, first of all, people are retiring in their midfifties, especially women, have at least 30 years to contribute to the society. The Age and Discrimination Act, recently passed, was an attempt to not only insure that older people were not discriminated against, but to tell the society that these are working, contributing members.

Senator PELL. Excuse me, you are turning the thing around. I am all for continuing education. I am just saying that it is taxpayers' money that is being used. You yourself said that they might retire when they are 50 or 60 years, and that is a factor that you have to weigh in.

Senator Javits?

Senator Javits. I came this morning, Mr. Chairman, to weep. All these fine witnesses representing great organizations are talking about $10 million, of which $5 million will go for planning and administration, to every State, whether it wants it, or needs it, and the other $5 million we can all fight about, and formulas, and so on.

With all respect to all of you, I think if you took your time at home, and beat the drum with the Congressmen and Senators who represent your constituencies, that this ought to be at least $100 million we are talking about, you would be using your time to much greater advantage, because this to me is one of the key problems with our country. It affects everything, and I am supposed to know something about international economics.

You see, gold is going wild, and the dollar being discounted outrageously. This is one reason for it, and that we are stupid about our priorities. I have no quarrels with any of you. You are all right. The young, as Senator Pell says, and the older. We are dealing now with the union people, we are dealing with the quality of human life. We all argue about what is wrong with this country, but we are not doing much about it. We are not doing anything about it.

So we have got a program which is 20 times this in size, called the Youth Employment and Demonstration Project Act, which I am deeply concerned with, because of my concern with CETA, and that is getting around $220 million a year. That is more like it.

And what I hope is that everybody here today, who is on this wicket, will band together in a big lobbying organization, and beat the drum for appropriations, which is appropriate. I think the bill should be targeted, but if I have anything to do with its writing, I would hope to write it so that it is a comprehensive framework for a big program, and then we will fight for the money, but let us not join the pipsqueaks with the way in which we draft this legislation.

So I would welcome very much, myself, any pragmatic suggestions which will tie work and study together for adults, as we are trying to tie them together for youth, which need it very badly in this YEDPA program which I have just discussed; which will crank in an element of day care to respond to the needs of the adults; there is no reason why industrial plants in this country, like industrial plants in the Soviet Union—it is not being pro-Communist, to realize that they may be doing some things better than we, even though basically they are all wrong—can't do this.

I would like to see you all make us suggestions, pragmatic suggestions, for what ought to be a program for adult education, not what you have got, and forget about the money, what it ought to be, and then we will at least—I will hope to write a bill which will be worthy of Mondale's dream, and Senator Pell's, and mine.

It will interest you to know that my mother learned to read and write in adult public schools in Brooklyn, when she was 55 years of age. That is what you are up against.

Mr. Chairman, I would ask unanimous consent that along these lines, members of each of these panels may have, if the Chair would be willing, a week or 10 days, if that is not too long, to make us practical suggestions as to what ought to be written in this bill as a program for adult education, postsecondary adult education.

Whether or not the money will stand, but what is needed, and then we can decide what we want to write into the bill. If that will fit in with the Chair's position.

Senator **Pell**. We would be delighted.

What we need are more specific suggestions, one, two, three, four, that sort. I agree with what Senator Javits said, from the financing viewpoint.

While we authorized $100 million for this program only $16 million was appropriated last year, and this year $10 million. Also, we understand there is very little effort by the community that is interested in this program in lobbying the Appropriations Committee.

I would like to ask anyone here in this room, who either appeared as a witness, or was in the appropriations hearing last spring, in connection with this program, to hold up their hand.

[Show of hands.]

Senator **Pell**. It is very interesting, because the Appropriations Committee staff told us that they had not heard from the continuing education community. So I think we ought to report that back to them.

Senator **Javits**. I think we politicians understand that you can spend $1 million on television, and they still do not hear you, and one day you come up with an idea that everybody lost, and then they begin to hear you. And that is, I think, what is the answer with appropriations.

Dr. **Kerschner**. I do not disagree with anything that you are saying. I think one bright light is the groups represented around this table, represent the first time that a disparity of groups have come together to agree, and generally, on the philosophy. I think now you are right.

Now, we need to move to the details, and then to appropriation. I think we may have made a large step in at least talking to one another, and agreeing on what we are talking about when we say offering education to the older adults and the disadvantaged.

Senator **Javits**. I think you are right, and that is why I said it. I hope you will get together and see that it gets done, to give us either pooled or individual suggestions to specificity.

May I direct you to the fact that in one of our education bills we had a basket, we tried out a basket theory of programs, and we gave each 5 years, if it proved up in 5 years, it was in. If it did not prove up it was out. That may be a way in which to handle this, as well, within the limitations of money, which probably will persist for awhile anyhow.

So, if you would give us details, we might conceivably adopt such an idea in this particular bill, but I think the main thing I would urge you to do, especially the unions, because you have got a lot of clout around here, is to get together and decide how you are going to get this thing moving, and how you are going to up this, the priority for this program, which it richly deserves, but which it has not had. I will be glad to hear any comments.

Thank you, Mr. Chairman.

Senator **Pell**. Thank you very much indeed, all of you, for giving your time.

The next witness is Mr. Gordon Ambach, commissioner of education, New York State, who I am sure Senator Javits would like to introduce.

Senator JAVITS. I have a great honor in introducing an old friend, Gordon Ambach, who is the commissioner of education of the State of New York. He has an illustrious record in the field of education at all levels in our State.

Senator PELL. Senator Stafford?

Senator STAFFORD. Mr. Chairman, before the next witness begins, might I ask that we be, by unanimous consent, allowed to submit questions in writing to the various panelists who may appear, if that seems to be the most expeditious way of handling the matter?

Senator PELL. Absolutely, without objection. This goes to any of our colleagues who are not here, too.

STATEMENT OF GORDON M. AMBACH, PRESIDENT, THE UNIVERSITY OF THE STATE OF NEW YORK, AND COMMISSIONER OF EDUCATION, NEW YORK STATE

Commissioner Ambach. Mr. Chairman, Senator Stafford, Senator Javits, I thank you for the opportunity to be here this morning.

I have submitted a statement to you, and in addition to the statement, have submitted a copy of a brochure which has been prepared by the Board of Regents of the University of the State of New York and our department. That brochure, in fact, represents a comprehensive set of recommendations for the extension and the revision of the Higher Education Act.

It is indeed so comprehensive that it is impossible to deal with most of the major provisions included in the document at this time.

I would like this morning, very briefly, to focus on three key points, each of them having to do with the general theme of the State-Federal relations in the administration, the planning and the implementation of Federal programs.

To provide a context for my remarks, it is important to note something about the structure of education in my own State of New York. We have a consolidated and comprehensive system of education.

I am the commissioner of education, and also the president of the University of the State of New York, which includes all of the postsecondary institutions, both independent and public within that State, some 250 in number, and also the elementary and secondary schools, museums, libraries, and other institutions. But most important for your consideration here today it includes the institutions of higher education. So we have a stress on comprehensiveness in the State, and that is the first key point I would like to make with respect to your consideration of the Higher Education act.

I urge there be an important role for the States in comprehensive planning throughout this Act.

Senator Javits and you have just been commenting about the concern of adults and the relationship of the programs for adults that might be funded under the Higher Education Act, the programs such as the Comprehensive Employment Act or the Youth Employment Act. He has also made reference to providing services to parents under social security provisions. As we look at this comprehensive array of programs, it is very important to think about the actual delivery of services of the combined programs such as CETA, youth employment, activities through higher education and how we can, through the States, focus these programs together with State interests to maximize use of the funds.

Point one then, on planning, is a strong stress on the comprehensiveness that ought to be in place for planning under the Higher Education Act.

We recommend continuation of the 1202 Commission provision. In the alternative, we would support the proposal in the House reported bill, which would provide for an agreement to be reached between the Secretary and a given State designating an agency to handle comprehensive planning.

With respect to the points that you have just been talking about on adults, we do support the inclusion of concerns for planning for adult learning, together with the concerns for the 1202 Commissions, as they have had them in the past. We would urge one item, having to do with the formula. That is that the formula be based primarily on the population distribution within the several States.

The second point that I would make has to do with the consolidation of programs. That is, consolidation both with respect to linking together different Federal titles as they now exist, and also connecting Federal titles with the various State programs having the same purpose.

I have in my statement, and we have in our brochure, made certain recommendations about connecting the 30 programs together. We have made a recommendation that there be an added focus of urban grants for urban institutions. What is most important is that these separate funds be considered together and linked with State resources where the objectives are the same.

The third point that I would turn to, again having to do with Federal-State relations, is on the very difficult issue of eligibility. To this point, there has been a reliance on nationally recognized accrediting agencies to make determinations of institutional eligibility within separate States. There is a great concern as to whether in fact accreditation using those procedures genuinely is suitable to the demands and the needs for accounting providing for surveillance of the use of Federal funds in the separate institutions.

We are suggesting an alternative that will not at all diminish the role of national accrediting associations, but keep their role as it originally was. We are suggesting as an alternative that there be a provision for a designation by the Secretary of certain State agencies which can make expert judgments indicating where institutional eligibility is sound.

In the State of New York, this is in fact already done. We register programs, we charter, we do everything that is necessary to insure quality programs. Were this concept extended to several other States, indeed seven others, you would have 51 percent of the enrollments. If it were extended beyond to the larger States, you would begin to get a very significant portion of the enrollment in the Nation.

I suggest serious consideration of this plan. The alternative of somehow centralizing a program review responsibility in Washington is one which I think should not be taken, and yet there is a very great need to strengthen the capacity here.

Those, in brief, Mr. Chairman, are my three points on State-Federal relations. I suggest that we have many other points which are in the brochure.

I thank you.

[The prepared statement of Commissioner Ambach and brochure referred to follow:]

Statement by

Gordon M. Ambach

President, The University of the State of New York

and Commissioner of Education

Before the

Subcommittee on Education, Arts and the Humanities

Committee on Labor and Human Resources

U. S. Senate

10:00 A. M.

October 3, 1979

Washington, DC

I am Gordon M. Ambach, President of the University of the State of New York and Commissioner of Education. It is with appreciation and a sense of urgency that I appear before you today to address a most pressing issue. That issue is the coordination of federal and state efforts for the future of postsecondary education in the United States.

The outlook for postsecondary education in the next decade is troublesome. Enrollments will decline. Resources will be more scarce. To assure quality and provide for new demands presents a tremendous challenge. Comprehensive statewide planning for postsecondary education is essential. . Such planning requires close coordination of federal and state efforts.

New York State has a long history of leadership in postsecondary education. The University of the State of New York, established in 1784, is the oldest educational agency in the United States. It includes all public and independent colleges and universities, elementary and secondary schools, libraries, museums, Educational Television Councils, historical societies, and all other educational agencies in the state.

The governing board of the University is the Board of Regents. The Regents lead New York State's coordinated long-range planning efforts in postsecondary education. The Board establishes general policy and assures the quality of postsecondary education through registration of some 15,000 programs of study. Because of its extensive experience in the evaluation of postsecondary institutions and their curricula, the Board of Regents is recognized as an official accrediting agency by the U.S.

Office of Education. The State Education Department serves as the administrative staff for the Board of Regents.

Since 1961, long-range planning for postsecondary education in New York State has been guided by a statutory provision which assures a coordinated effort by the state's 250 degree-granting institutions. As the Nation and our state cope with postsecondary changes in the 1980's, it is essential that the capability and strengths of the states be used to the maximum.

The Higher Education Act has served the Nation well. Its reauthorization provides a valuable opportunity to refocus this statute on future challenges. Although some provisions of the House bill are desirable, we raise serious questions about others.

Coordination of Federal and State Planning Roles

To succeed in the coming decade, more--rather than less--coordination among federal, state and institutional efforts is needed. We must assure that a lack of coordination such as illustrated in the following examples, does not continue.

The Fund for the Improvement of Postsecondary Education (FIPSE) has funded a proposal enabling a non-traditional institution operating in another state to establish a branch campus in New York State. No comment on this proposal was solicited from New York. Presumably, comments were invited from the state in which the parent institution was located. New York State law requires that institutions operating in the state be authorized by the Board of Regents and included in our comprehensive statewide master plan. The Fund's action unintentionally violated state law. The branch campus activities were stopped.

Another example is provided by the relationship of the "TRIO" programs--Talent Search, Upward Bound, and Special Services for the Disadvantaged--to New York State's own programs. Services provided by the TRIO programs also are provided, and may be duplicated, by services offered through New York's own postsecondary opportunity programs or through various community agencies. Such state programs are operated under a statewide planning process coordinated by the Board of Regents. Unfortunately, the federal projects are not incorporated in the planning process.

Our New York State Board of Regents advances a comprehensive proposal for revising Title III to remedy the difficulties described. We would incorporate the TRIO and Economic Opportunity Center programs in Title III. The House reported bill contains important initial steps to consolidate statewide planning. The House bill's Title III, Sec. 306, offers a partial remedy. It prohibits funding under Title III of any activity inconsistent with a state plan applicable to the recipient institution. We support this provision and encourage the adoption of similar limitations with respect to all federal programs which provide direct assistance to postsecondary institutions.

We ask also that the Congress consider a further Regents' recommendation to demonstrate efficiency of coordination and to serve additional students. The statute should provide that the U.S. Commissioner of Education be required to contract with not less than two, or more than four, states for experimental pilot operation of consolidated Special Services for Disadvantaged Students.

Consolidation of Statewide Planning

States currently have a limited role in planning for and administration of programs under the Higher Education Act (Table 2). State efforts currently provide between 30 and 40 percent of the total federal, state, and local expenditures for postsecondary education. However, states have a significant role in the administration of only 12 percent of the federal funds appropriated for the Higher Education Act in FY 1979.

Mutual federal-state objectives of effectiveness and efficiency will be realized only if federal requirements for state planning [illegible] connected to comprehensive postsecondary planning of the states.

May I illustrate. In FY 1979, New York State made a number of Title I grant awards to institutions and groups for programs linking education and work (Appendix A). We believe that the pressing need for such programs will continue. These projects must be coordinated with CETA programs operating in our state. Effective operational planning could be carried out if CETA funds and funds of other federal programs such as those under the Library Services and Construction Act could be used as matching with Title I funds. We recognize the importance of the U.S. Commissioner's discretionary funds in underwriting multi-state and regional programs. It is important that even with these funds the states have a role to coordinate and avoid duplication.

Role of the "1202" Commission

Statewide postsecondary planning has been the function of the State Postsecondary Education ("1202") Commissions. New York State's 1202 Commission is the Board of Regents which has had the key role in coordinating federal, state, and institutional programs in New York State.

We recommend that the functions now performed by 1202 Commissions be continued. A solution to the difficulties described above would be to consolidate basic provisions for the relationship between the states and the federal government in planning for the administration of higher education programs by consolidating the present Title I, Title VI, Title VII, and Sections 1202 and 1203. Funding for 1202 Commissions or postsecondary agencies should be increased substantially.

Advantages of the House Reported Bill

The House reported bill offers a partial solution to consolidating statewide planning. Although HR 5192 eliminates 1202 Commissions as such, it replaces the Commissions with a system of agreements between the states and the Secretary under new Section 1203. Under the House plan, states would have flexibility in establishing a planning mechanism.

400

Each state would designate a state agency responsible under state law for comprehensive statewide postsecondary planning.

This system would allow each state to formulate an agreement with the federal government to accommodate both the planning function and the state's particular statutory structure and special circumstances. The provision has the advantage of opening the planning process to all types of postsecondary institutions and to a variety of postsecondary constituencies. The concept of flexible agreements also permits cooperation among the several state agencies responsible for student assistance, governance, and coordination of postsecondary functions within the state. Through these agreements, HR 5192 establishes a framework for states to undertake statewide planning. Because the House version offers substantial benefits for effective planning, we urge that the Senate adopt similar provisions as an alternative to continuation of 1202 Commissions.

Difficulties with the House Reported Bill

Unfortunately, there are major difficulties with the consolidation plan outlined in the House reported bill. First, the proposed funding of the consolidated Title I falls far short of the amount needed. Funding for planning under that Title is vital for the years ahead. The authorized amount contained in the House version fails to reflect either the need for planning or the combination of programs which the consolidated Title is expected to support. No administrative funds for program operations are provided. Without sufficient funding, the effectiveness of the consolidation will be lost.

A further difficulty with the House version is the structure of the Title I formula which provides that education information centers be funded equally in all states.

The House bill makes a major change by including more agencies as eligible for assistance. Previously only postsecondary institutions were eligible. Now the delivery system is expanded to support a variety of other agencies and organizations. This would be done under the bills funding provisions at the expense of funding for postsecondary institutions.

The House reported bill would reduce substantially the flexibility necessary to ensure efficient use of resources for both traditional and non-traditional learners. The formula in HR 5192, as first introduced, retains that flexibility and is preferable.

Comprehensive statewide planning activities--data collection, program review, and assistance in institutional planning--should not make a distinction between efforts for adults and for others. Adults are becoming a larger percentage of the clientele of all postsecondary institutions. The base allocation for each state and territory should be eliminated. Allocations should be made solely on the basis of the target population of adults (18 or over) in each state.

Urban Grant Universities

Another effort to improve service of postsecondary institutions to the community is the proposed Urban Grant University program. The House reported bill would add the Urban Grant Program as a new Title XI.

This legislation would establish a system of grants for urban universities. It would authorize funding to certain higher education institutions developing their capacity to help find answers to urban problems. These institutions would make educational, research, and service capabilities more readily and effectively available to urban communities. This type of legislation supports our emphasis on greater cooperation between postsecondary institutions and the communities in which they are located. Such a provision would be more effective and efficient if it were tied to, and coordinated with, existing statewide planning efforts serving urban populations.

Financing Postsecondary Education

Student assistance is both a state and a federal responsibility. An adequate student aid system cannot be developed without an effective state/federal/institutional partnership in both funding and delivery.

The Regents are concerned that federal, state, and institutional assistance programs, together with family contributions, fit together to achieve clearly defined long-range objectives. Federal programs should be shaped by these guidelines. Federal grants to students in combination with direct payments by students and families should equal half the cost of postsecondary attendance. Other federal assistance programs, such as loans and work study, together with state and institutional student aids and family or student loan obligations, should provide the remaining half of postsecondary student attendance costs.

New York State Aid Programs

Federal funding formulas must recognize state and regional differences in tax effort, fiscal capacity, and fiscal commitment to public services.

New York State has 250 of the approximately 3000 postsecondary institutions listed in the U.S.O.E. Directory. It has both a highly developed public postsecondary education system and a large and vigorous independent sector. During 1978-79 our postsecondary institutions enrolled more than 930,000 students, more than eight percent of the national enrollment. More than 43 percent of our students were enrolled in non-public institutions. These students constituted about 17 percent of all independent postsecondary enrollments nationwide.

New York State has made a heavy financial commitment to postsecondary education. Total expenditures for postsecondary education in 1978-79 were approximately $4.5 billion, including state funds of more than $1.5 billion for direct support of institutions. Twelve and one half percent of the state's total operating budget is committed to postsecondary education. Table 2 displays New York State appropriations for postsecondary education for the years 1975 through 1979.

New York State's program of student financial assistance is broad, comprehensive and the largest in the nation. We have an extensive network of low tuition public postsecondary institutions, tuition assistance grants for students at public and independent postsecondary institutions, state scholarships for certain high school graduates, professional and graduate students, and state guaranteed student loans for postsecondary students.

In support of these programs, New York State's student financial aid programs for 1977-78 totaled $604.5 million, including $220.5 million for tuition assistance, and $361.9 million for loans. New York State provided scholarship and grant assistance to more than 400,000 students. Tables 4, 5, and 6 indicate the magnitude of our effort in relation to income tax burden and spending compared with national figures. More than 208,000 student loans were approved.

The scope and size of these programs indicates that New York State is committed together with the federal government to support postsecondary education and provide student financial aid. Since student assistance is a shared responsibility, an adequate aid system must have effective state/federal/institutional partnership in student aid planning.

Portability of Awards

New York State has traditionally "exported" college students. National Center for Education Statistics (NCES) data for the years 1968, 1973, and 1975 indicate that in each of these years, the number of New York State residents enrolled in degree programs in other states was greater than the number of out-of-state residents enrolled in New York's degree programs. In 1975, the net out-migration was about 60,000 undergraduate students. The fact of out-migration has serious implications for student financial aid policy.

New York State citizens tax themselves heavily to provide programs for postsecondary students. New York State's Tuition Assistance Program (TAP) provided $238.2 million to students in 1978-79. The average TAP award for that year was approximately $700. The maximum award was $1800. We do not permit portability of these state awards and oppose vigorously any attempt to force portability.

Present federal law permits only the states offering portable awards to contract with the U.S. Office of Education to process BEOG applications. New York cannot do so. If New York had portability, permitting students to take their awards with them, we would add $42M, a 20 percent increase, to state spending. That provision of law should be changed.

In the past, proposals have been made to require that acceptance of funds under the State Student Incentive Grant Program (SSIG) should be linked to portability. In New York State, SSIG underwrites two percent of TAP. This is important aid for New York, but any attempt to link it with portability would probably require our withdrawal from the program. As competition for enrollments among institutions becomes more intense in the 1980's, we will strengthen our opposition to any policy that would provide incentives to additional out-migration.

Institutional Eligibility for Federal Programs

Two major purposes of planning are to assure program consistency and to assure administrative efficiency. A new federal-state partnership is needed to manage evaluation of the quality of postsecondary institutions, the adequacy of institutional practices and procedures, and institutional eligibility for participation in various federal programs. Such a partnership is essential to confirm that all institutions participating in federal programs meet federal standards.

To be eligible for federal postsecondary assistance, institutions currently must be accredited by an accrediting agency recognized by the U.S. Commissioner of Education. The use of this practice, particularly with respect to assuring the federal government of program operation and institutional quality in the expenditure of federal funds, has come under increasing attach. Pressures for changing the practice are rising.

We recommend that an alternative to the current use of accreditation by a nationally-recognized accrediting agency be enacted. We propose that each state have the option of designating an appropriate state agency to approve postsecondary and vocational institutions, or their programs, as one of the threshhold criteria for eligibility to participate in federal programs.

The popular perception that all nationally-recognized accrediting agencies are voluntary, non-governmental organizations is incorrect. The New York State Board of Regents is recognized by the United States Office of Education as a nationally-recognized accrediting agency. The Board has held that status since the 1950's. The recognition is based on the same criteria that are applied to all nationally-recognized accrediting agencies, including voluntary, non-governmental regional associations. For degree-granting institutions in New York, the registration of programs of study by the State Education Department confers eligibility for participation in federal programs. Such registration is required by state law.

We agree with the Administration's position, expressed with the Administration bill, that voluntary, non-governmental accrediting associations are being used inappropriately by the federal government and should be freed "from intrusive federal regulation and pressures to take on inappropriate activities that are unrelated to their central mission of assessing the quality of education."

Regional and national accrediting agencies have an important role. We support their central purpose. We urge, however, that the federal government consider different vehicles for accomplishing its purposes.

We recommend that an appropriate existing state agency, such as a 1202 Commission, be designated in each state as a federally recognized approving agency. The U.S. Commissioner of Education would promulgate criteria for agency recognition as an authority regarding both the quality of education or training offered and the integrity of institutions or programs. This recognition also could be accomplished by expanding the provisions of Title IV, Sec. 497A(d) to include all postsecondary institutions.

Such an agency would approve postsecondary educational institutions and eligible vocational institutions, or the programs of such institutions. Decisions of the agency would be used by federal officers and agencies in connection with participation in any program of federal assistance to postsecondary or vocational educational institutions or to their students.

In addition, the U.S. Commissioner should be authorized to make grants to a designated state agency or commission, recognized or provisionally recognized, to assist it in carrying out its duties.

We believe that many other states are capable of evaluating institutions or programs, as New York does now. If such a system were now in place in 30 other states, New York's system would provide strong assurances of quality and integrity for institutions that enroll 90 percent of all the postsecondary students in the United States. Indeed, if seven states -- California, Illinois, Massachusetts, Michigan, Pennsylvania, and Texas -- in addition to New York had such a system for determining eligibility, 51 percent of all the students in the nation would be covered.

The Regents proposal concerning determination of institutional eligibility for participation in federal programs would effect no change on New York's colleges and universities. These institutions are subject to the provisions already. The system would, however, significantly improve determinations of eligibility of the institutions in the rest of the nation to receive a share of the $3.7 billion dollars currently appropriated by Congress in support of higher education.

Our recommended action reinforces the constitutional and traditional role of the states in postsecondary education. It offers substantial advantages over proposals centralizing eligibility determinations in a single federal agency. Plans to centralized the system in Washington would disrupt the state and federal relationships in education and might fail to accommodate substantial differences among the states' postsecondary communities.

Conclusion

Our brochure, Federal Legislation and Education in New York State, is an example of a product that a coordinated statewide planning process can produce. . Major concepts were reviewed initially by the leaders of all sectors of postsecondary education in New York. The draft text of the brochure was circulated for comment to representatives of all sectors of postsecondary education in New York. Several meetings were held with representatives during this process. While there was not consensus, we are assured that the interests of all sectors were taken into account in preparing our recommendations. Attached to my statement is a copy of our brochure, which includes additional and specific recommendations for the various titles of the Higher Education Act and suggests authorization levels where appropriate.

Key decisions must be made this year regarding the direction of the federal action to shape the future of higher education. The decisions include both what is to be provided and how it should be delivered. I submit that the most efficient delivery of federal resources can be accomplished if state education agencies are used more effectively to provide intermediate level services in planning, administering, and evaluating federal programs. This will assure even a greater result than can be measured from the federal resource alone.

TABLE 1

AUTHORIZATION VERSUS APPROPRIATION IN PROGRAMS UNDER THE HIGHER EDUCATION ACT

(in Thousands)

		Auth.	FY 1979 APPRG	Admin.
I.A	Community Services	40,000	16,000	State
I.B	Lifelong Learning	40,000	-0-	
II.A	College Lib. Resources)	120,000	9,975	
II.B	Career Training)			
II.C	Research lib. resources	20,000	6,000	
III.	Devel. Institutions	120,000	120,000	
IV.A.1	BEOG	Entitlement	2,600,000	
IV.A.2	SEOG	340,000	340,000	
IV.A.3	SSIG	50,000+	76,750	State
IV.A.4	TRIO	200,000	140,000	
IV.A.5	Educ. Information	40,000	3,000	State
IV.A.6	Cost of Education	Entitlement	-0-	
IV.B				
IV.C	College Work Study			
IV.D	Vacant			
IV.E	NDSL	400,000	310,500	
V.A	Teachers Corps	100,000	37,500	
V.B	Teacher Training	75,000	12,625	
VI	Undergrad. Equipment	70,000	-0-	State
VII	Facilities	580,000	-0-	State
VIII	Coop. Education			
IX.A	Grad. Programs	Entitlement	50,000	
IX.B	Grad. Fellowships	Entitlement	8,000	
IX.C	Pub. Serv. Fellowships	Entitlement	4,000	
IX.D	Mining Fellowships	Entitlement	4,500	
X.A	Comm. Colleges State Plans	15,700	-0-	State
X.B	Expand Comm. Colleges	150,000	-0-	
XI.	Law Sch. Clinical Exp.	7,500	2,000	
XII.	Comp. Planning	2,000+	3,500	State
	Total Higher Ed Act	5,064,950	3,697,350	72.9%*
NDEA	Foreign Studies	75,000	20,000	
VI. FIPSE		75,000	13,000	
	Total Higher Ed.	5,214,950	3,730,350	71.5%
	Total Adminis. by State Agencies	925,950	99,250	12.0%
	Percent Adminis. by State Agencies	15.8%	2.7%	

*This figure is the percentage of actual Appropriations made compared to Authorization levels.

Source: Council of Chief State School Officers, 1979

Table 2. State Appropriations for Postsecondary Education
State Fiscal Years for 1975-76 through 1978-79
(in millions)

	1975-76		1976-77		1977-78		1978-79		1979-80		Change 1975-6 to 1979-80	
	amount	percent	amount	percent	amount	percent	amount	percent	amount	percent	amount	percent
State University of New York[1,2]	$ 667.6	54.3	$ 636.7	50.0	$ 688.3	50.6	$ 787.8	51.7	$ 818.4	51.3	$ 151.0	22.6
City University of New York[2]	140.4	11.4	130.8	10.3	129.8	9.6	166.9	10.9	177.3	11.1	36.9	26.3
Community Colleges[3]	148.0	12.0	156.0	12.2	157.0	11.5	164.2	10.8	171.0	10.7	23.0	15.5
Aid to Independent Institutions												
Bundy Aid	57.4	4.7	62.7	4.9	66.6	4.9	68.0	4.5	68.0	4.3	10.6	18.5
Health Professions	19.0	1.5	18.1	1.3	14.1	1.0	16.6	1.1	13.8	0.9	(5.2)	(27.4)
Special Grants[4]	.8	0.1	--	-	2.6	0.2	1.8	0.1	2.5	0.1	1.7	212.5
Student Aid												
TAP	103.5	8.4	184.2	14.5	214.6	15.8	238.2	15.6	253.6	15.9	150.1	145.0
All other	29.5	2.4	25.7	11.9	23.9	1.8	21.5	1.4	31.1	2.0	1.6	5.4
Programs for the Disadvantaged	44.2	3.6	39.0	3.1	36.4	2.7	36.9	2.4	38.1	2.4	(6.1)	(13.8)
Other NYSED	7.9	0.6	8.0	0.6	9.4	0.7	10.0	0.7	9.5	0.6	1.6	20.3
Other [illegible]	2.2	0.2	2.1	0.2	3.4	0.2	2.9	0.2	3.6	0.2	1.4	63.6
Other State Agencies	9.4	0.8	12.8	1.0	13.7	1.0	9.6	0.6	7.6	0.5	(1.8)	(19.1)
TOTAL APPROPRIATION	$1,229.7	100.0	$1,274.1	100.0	$1,360.3	100.0	$1,524.4	100.0	$1,594.5	100.0	364.8	29.7
State Revenue	$9,974.0		$10,611.0		$11,307.0		$11,934.0					
Total Higher Education Current Fund Expenditures (from all sources)	$4,033.0		$4,216.0		$4,377.0(est.)		$4,520.0(est.)					
Total Approp. % of State Rev.	12.3%		12.0%		12.0%		12.8%					
Total Approp. % of Total Exp.	30.4%		30.2%		31.1%		33.7%					

[1] Regular operations adjusted

[2] Excludes Community Colleges

[3] Includes both SUNY and CUNY Community Colleges

[4] Includes Scholarship Credits, Education of Native Americans, Vermont/Sackler Medical Contracts, Regional College Cooperative Service Boards

SOURCE: NYSED, Postsecondary Education Systems (7/25/79)

TABLE 3

IN- AND OUT-MIGRATION OF DEGREE-CREDIT STUDENTS FOR NEW YORK STATE

1963, 1968, and 1975

Level of Student and Year	United States to New York State (in) (1)	New York State to United States (out) (2)	Net Migration (in-out) (3)
Undergraduate			
1963	33,498	75,047	-41,549
1968	49,300	109,821	-60,521
1975	54,054	111,781	-57,727
First-Professional			
1963	3,756	5,393	- 1,637
1968	3,352	7,495	- 4,143
1975	4,769	9,997	- 5,228
Graduate			
1963	11,836	10,329	+ 1,507
1968	16,772	18,665	- 1,893
1975	20,331	25,652	- 5,321
TOTAL			
1963	49,090	90,769	-41,679
1968	69,424	135,981	-66,587
1975	79,154	147,430	-68,276

Notes: (1) Negative net migration indicates net out-migration.
(2) Positive net migration indicates net in-migration.

Source: NYSED: Residence and Migration of College and University students in New York State, 1974-1976.

Source of Basic Data: NCES/HEGIS

Table 4

Average Undergraduate TAP Awards and Average Tuition Costs, 1976-77 and 1977-78

	Independent			State University						City University		
				State Operated			Community Colleges					
	1976-77	1977-78	%Change	1976-77	1977-78	%Change	1976-77	1977-78	%Change	1976-77	1977-78	%Change
Average tuition[1]	$2,900	$3.131	7.9	$804	$811	.8	$673	$689	2.4	$863	$865	.2
Average TAP	778	1,054	35.5	356	410	15.7	340	342	.5	445	500	12.4
Tuition Less TAP	2,122	2,077	(2.1)	448	411	(10.5)	343	347	1.2	418	365	(12.7)
TAP as a % of tuition	26.8	33.7	6.9	44.3	49.4	5.1	50.5	49.6	-.9	51.6	57.8	6.2

[1] Tuition charges are estimated and weighted for independent, SUNY State operated and CUNY. Estimate for SUNY community colleges is unweighted.

Source: A Report by The Board of Regents to The Governor and Legislature on State Student Financial Aid Programs, New York State Education Department, December 1978

TABLE 5

NEW YORK STATE AND THE NATION: SELECTED COMPARISONS FOR 1963 THROUGH 1973

	New York as a Percent of The United States				
	1963	1975	1976	1977	1978
Population	9.3	8.5	8.4	8.3	8.2[ac]
Personal Income	11.5	9.6	9.5	8.9	8.7[c]
Employment	11.0	8.9	8.6	7.9	7.7
Per Capita Personal Income Minus Transfers	123.7	108.8	105.9	104.9	103.3[a]
State and Local Government Taxes per $1000 of Personal Income	113.1	135.6	138.9	138.0	
Property Taxes per $100 of personal income	109.4[b]	134.0	138.1	138.7	

---

[a] Second Quarter Estimates

[b] 1962 data

[c] our estimates based on 1976-1977 population growth rates

SOURCES: U.S. Bureau of the Census, Governmental Finances, 1963-1977 Table 26, U.S. Government Printing Office, Washington, D.C.; U.S. Bureau of the Census, Census of Population General Social and Economic Characteristics, Final Report PC(1)-C1, U.S. Summary, U.S. Government Printing Office, Washington, D.C., 1960 and 1970 U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, States and Areas, 1939-74, Employment and Earnings July and August, 1978, 1977, 1976, 1975; U.S. Department of Labor, Bureau of Labor Statistics; U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business, December 1965, p. S-2, August 1977, p. 8, Table 10, and Aug. 1978, p.15, Table 1: and U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, Unpublished data, 1978, U.S. Bureau of the Census, Current Population Reports, Series P-25, No. 727, July 1978, NYS Director of the Budget.

SOURCE: Syracuse University, Maxwell School of Citizenship and Public Affairs, 1970

TABLE 6

GROWTH IN STATE AND LOCAL GOVERNMENT EXPENDITURES: NEW YORK AND THE REST OF THE NATION

	New York State		Rest of the Nation		New York as a Percent of the Nation	
Year	Per Capita	Per Dollar of Personal Income	Per Capita	Per Dollar of Personal Income	Per Capita	Per Dollar of Personal Income
1963	$ 393.81	13.12	$ 308.59	12.94	$ 124.39	101.19
1964	458.18	15.38	352.29	14.96	126.50	102.46
1965	479.34	15.31	377.16	15.26	124.07	100.29
1966	530.11	16.31	411.96	15.47	125.33	104.76
1967	[illegible]	17.70	459.54	15.96	129.69	109.57
1968	[illegible]	18.50	493.33	16.12	137.37	112.91
1969	816.23	19.93	554.32	16.72	141.20	116.71
1970	919.35	20.61	626.04	17.28	140.87	116.31
1971	1075.50	22.71	700.48	18.39	146.51	120.40
1972	1238.72	24.80	762.08	18.94	154.02	126.71
1973	1319.41	25.03	819.41	18.71	152.90	129.29
1974	1448.20	25.17	891.92	18.08	[illegible]	134.06
1975	1611.14	25.49	1027.07	19.31	149.63	127.91
1976	1735.41	26.38	1140.37	19.69	152.18	133.96
1977	1795.24	25.35	1213.76	19.34	147.91	131.03

SOURCE: Governmental Finances in 1963-1976, Series GF/No.5, Tbl8. Tbl7 in 1963/64.
Derived from material provided by Maxwell School of Citizenship and Public Affairs, Syracuse University, 1979

APPENDIX A

NEW YORK STATE EDUCATION DEPARTMENT NEWS

[illegible] Public Information · Arnold [illegible] Director · Chris Carpenter, Assistant Director   Albany, New York 12234 Phone (518) 474-[illegible]

FOR RELEASE AT 1:30 P.M., THURSDAY, MAY 24, 1979

REGENTS APPROVE 25 PROPOSALS FOR FEDERAL AID TO HIGHER EDUCATION

Acting as the State Postsecondary Education Commission, the Regents today approved 25 proposals submitted by institutions of higher education in the State for Federal funds under the Higher Education Act. Twenty proposals are for community service projects designed to relate postsecondary education and work; four are continuing education programs intended to serve elderly and handicapped adults; and one is a resource materials sharing project designed to improve the way in which existing postsecondary resources are being used.

The total amount of Federal funds available to the State under this program for fiscal 1979 is $948,774.

Brief descriptions of each of the approved programs follows:

Public Institutions -- Relating Education and Work

1. STATE UNIVERSITY COLLEGE AT BUFFALO -- "Career and Interpersonal Skills Training Program for Single, Unemployed, Women Head of Household."

Funds are recommended to provide 100 unemployed or underemployed single women heads of households an intensive eighteen week period of training and assistance designed to overcome the effects of sex role socialization and provide them with the knowledge and skills to compete successfully in the job market. $52,000.

(over)

2. STATE UNIVERSITY OF NEW YORK AT BUFFALO -- "Critical Skills Upgrading Program."

Funds are recommended to assist four postsecondary institutions in Western New York to develop and implement new, employer responsive instructional delivery systems to train 245 adults for existing work advancement opportunities. $43, 000.

3. SUNY AGRICULTURAL & TECHNICAL COLLEGE AT MORRISVILLE -- "Pilot Consortium for Community Responsive Postsecondary Education."

Funds are requested to provide Chenango County residents with linking services to help the community to retain existing employers, attract new employers, and help adults to fulfill their individual education and career aspirations. $25, 000.

4. STATE UNIVERSITY COLLEGE AT OSWEGO -- "Program to Intervene in the Cycle of Inter-Generational Unemployment and Underemployment by Improvement of Math and Reading Skills."

Funds are recommended to train unemployed high school graduates to work with 250 adults on basic reading and math skills, and the development of job-seeking skills. $35, 000.

5. STATE UNIVERSITY CENTRAL ADMINISTRATION -- "Continuing Education Project for Underemployed Women Working for New York State."

Funds are requested to provide career skill seminars to 150 women employed in the lowest State pay grades who seek to improve their job status, explore career and life aspirations, and develop group and individual strategies for achieving career goals. $30, 000.

(more)

6. STATE UNIVERSITY COLLEGE AT PLATTSBURGH -- "Program to Retain and Bring Back Olympic Tourists."

Funds are recommended for a series of training programs for 300 small business owners, 1,000 New York State Police, and 500 tourist industry workers to enable them to become better salesmen and promoters of tourism in the Adirondack/Lake Champlain region of New York State. $35,000.

7. MOHAWK VALLEY COMMUNITY COLLEGE -- "Cooperative Training to Facilitate Job Development and Economic Recovery in Central New York."

Funds are recommended to provide pre-employment training to prepare a workforce for new businesses and industries entering the Mohawk Valley region and establish a forum for owners and managers of small businesses to discuss their most pressing problems. $30,000.

8. BROOKLYN COLLEGE, CUNY -- "Education Program for Homemaker Home Health Aides."

Funds are recommended to provide homemaker home health training to 220 women in the Brownsville and East New York sections of Brooklyn to enable them to provide competent care for the sick and elderly within their own homes. $35,000.

9. YORK COLLEGE, CUNY -- "Work Orientation Training Program for Foreign Born/Cultured Adults."

Funds are recommended to develop and implement a series of five core seminars to help 700 newly arrived foreign born/cultured individuals to develop the basic language and communications skills necessary for survival in the urban world of work. $55,000.

(over)

10. BOROUGH OF MANHATTAN COMMUNITY COLLEGE, CUNY -- "Labor Studies Project."

Funds are recommended to provide course offerings in Labor Studies, both theoretical and vocational, to 300 union workers to enable them to function more effectively as unionists, understand society and fulfill their obligations as citizens. $35,000.

11. MEDGAR EVERS COLLEGE, CUNY -- "A Work-Related Education Training Program for Sales Personnel."

Funds are recommended to provide work-related postsecondary education to 200 educationally by-passed adults who work in retail sales, and to upgrade the services of retail service agents to the Brooklyn community. $50,000.

12. THE COLLEGE OF STATEN ISLAND, CUNY -- "Work/Study Job Training."

Funds are recommended for a program of credit bearing internships that will enable 400 adults to upgrade themselves for positions they now hold or acquire the skills needed to obtain new positions. $25,000.

13. SUFFOLK COUNTY COMMUNITY COLLEGE -- "Bilingual Secretarial Skills Development Program."

Funds are requested to provide an integrated program of instruction in typing, communications, office procedures, and career clarification for 90 Hispanic adults to prepare them for secretarial jobs on Long Island. $40,000.

Independent Institutions -- Relating Education and Work

14. NIAGARA UNIVERSITY -- "Niagara County Employment Revitalization Project."

(more)

Funds are recommended to expand the education-for-employment programs developed during the first two years of the project that respond to the employer and employee needs of Niagara County. $40,000.

15. ROCHESTER AREA COLLEGES, INC. -- "WEDCO: Development of Workshops and Materials for Unemployed and Underemployed Adult Women."

Funds are recommended to conduct a series of conferences/workshops for 500 women from various sections of the Genesee Valley to help them become aware of career and employment trends and assist them in obtaining employment. $28,774.

16. COLGATE UNIVERSITY -- "Entrepreneurial Development Center."

Funds are recommended to establish an Entrepreneurial Development Center on the campus of Colgate University to work with the small business sector with[illegible] twenty mile radius of Hamilton, New York. $32,000.

17. ASSOCIATED COLLEGES OF THE ST. LAWRENCE VALLEY -- "Work-Related Education for the Northern Region."

Funds are recommended to expand work-related education workshops, courses and seminars for 675 adults in the Northern Region to prepare them for initial employment or job advancement, and to continue the regional planning and program development among participating higher education institutions and area employers. $20,000.

18. IONA COLLEGE -- "Construction Management for Minority Contractors."

Funds are recommended to provide a training program for minority construction contractors and journeymen to improve their use and effectiveness in the construction industry. $40,000.

(over)

19. NEW YORK STATE SCHOOL OF INDUSTRIAL AND LABOR RELATIONS/ CORNELL UNIVERSITY MEDICAL COLLEGE -- "Training Trade Union and Community Leaders to Contain Health Costs and Improve Work Place Health in New York City, Albany, Buffalo and Long Island."

Funds are recommended to provide a series of courses for 325 unionists in New York City, Albany, Buffalo and Long Island to afford them the opportunity to address health-related community problems found at their place of work, and to assist health professionals to broaden their understanding of the nature of work-related health problems and to increase their ability to recognize and treat these problems. $40,000.

20. ST. JOSEPH'S COLLEGE, BROOKLYN -- "A Program of Developmental Skills and Life Experiences for Women Victimized by Family Violence."

Funds are recommended to provide educational competency skills, occupational and job-related knowledge, and life experience skills to prepare 390 "battered" women for gainful employment. $33,000.

Public Institutions -- Continuing Education

21. STATE UNIVERSITY AT ALBANY -- "Continuing Education Programs for Handicapped Adults in Communities of the Capital District Area."

Funds are recommended to conduct a series of adult and continuing education courses for one hundred developmentally disabled adults to enable them to increase their participation in the educational, social, and political activities of the communities in which they reside. $50,000.

(more)

22. LA GUARDIA COMMUNITY COLLEGE, CUNY -- "Consortial Program to Increase Accessibility for Hearing Impaired Adults into Continuing Education Programs within CUNY."

Funds are requested to assist a team of deafness specialists in providing outreach, liaison assessment, preparatory education and consultation for hearing impaired adults which will increase their accessibility into Continuing Education Programs within CUNY and in Metropolitan New York. $20,000.

23. NEW YORK CITY COMMUNITY COLLEGE, CUNY -- "Extending Continuing Education to the Elderly Homebound."

Funds are recommended to train Senior Teaching Aides to serve the minority elderly living in economically depressed areas by encouraging their participation in continuing education activities that are vital to their social and economic needs. $50,000.

Independent Institutions -- Continuing Education

24. LONG ISLAND REGIONAL ADVISORY COUNCIL ON HIGHER EDUCATION -- "New Educational Opportunities for Older Adults."

Funds are recommended to develop and provide 30 off-campus, non-credit academically oriented courses for 1500 older adults residing in Suffolk County. $40,000.

Independent Institutions -- Improved Use of Resources

25. HUDSON-MOHAWK ASSOCIATION OF COLLEGES & UNIVERSITIES -- "Broad Scale Cooperation and Resource Sharing in Television."

Funds are recommended to help groups of colleges and universities in six of the eight Regents' Postsecondary Education Regions to relate to the Public Television Station that serves their area, and by periodic meeting to share, statewide, the total resources of the television network with postsecondary education. $65,000.

PARTICIPATING INSURANCE COMPANIES

Aetna Life and Casualty, Hartford, Conn.
American Republic Insurance Company,
Des Moines, Ia.

Atlanta Life Insurance Company, Atlanta, Ga.

Colonial Life and Accident Insurance Company,
Columbia, S. C.
Connecticut Mutual Life, Hartford, Conn.
The Equitable Life Assurance Society of the
United States, New York, N.Y.

Fidelity Bankers Life Insurance Company
Home Beneficial Life Insurance Company
Life Insurance Company of Virginia,
all of Richmond, Va.

Lincoln National Life Insurance Company,
Fort Wayne, Ind.

Lutheran Brotherhood, Minneapolis, Minn.
Mutual Benefit Life Ins.Co., Newark, N. J.
North Carolina Mutual, Durham, N. C.

Northwestern National Life Insurance Company,
Minneapolis, Minn.
The Prudential Insurance Co. of America, Newark, N.J.
Southwestern Life, Dallas, Tex.

Universal Life Insurance Company,
Memphis, Tenn.

Booker T. Washington Insurance Company,
Birmingham, Ala.

Robert R. Moton Memorial Institute, Inc.

500 East 62nd Street
New York, N.Y. 10021
(212) 751-6760

why companies are investing in

Endowment income is considered a key element for sound financial planning at colleges and universities across the United States. But, endowment building, which requires large sums of cash for investment, is usually neglected at small, under-financed colleges.

THE CEFP: ANOTHER APPROACH

The College Endowment Funding Plan is a unique endowment building strategy which leverages private gifts to small colleges with borrowed funds. The combined sum is invested in a combination of U. S. Government bonds and high grade corporate bonds for a period of 25 years. During that period, the investment income is sufficient to pay the interest on the borrowed funds and to provide a significant amount of income to the college for current expenditure. During the first fifteen years, no payments are made to reduce the loan and surplus investment income is added to the principal. During the last ten years of the plan, 10% of the loan is retired each year. This plan is being administered and coordinated by the United Negro College Fund, 500 E. 62nd St., New York, N.Y. 10021.

A NEW TYPE OF CHALLENGE

The borrowed portion of the invested funds are loaned to the colleges at an interest rate lower than the rate at which the funds can be reinvested. This permits the principal to generate a margin of surplus investment income and facilitates the long-term success of the endowment plan.

Traditionally, well-financed colleges and universities have received "challenge grants" from foundations which mandate that each dollar granted to the school be matched by donations from private sources. Since such grants are not widely available to small private colleges, the low cost loan can serve a similar purpose: challenging donors to match the amount of the loan, dollar-for-dollar. In this way, a small college can have the same opportunity to stimulate endowment funds as a large college.

A PIONEER PROGRAM

Investment history was made when the first CEFP was inaugurated in the Spring of 1978. Nine insurance companies (*The Equitable Life Assurance Society of the United States, New York; American Republic Insurance Co., Des Moines; Booker T. Washington Insurance Co., Birmingham; Fidelity Bankers Life Insurance, Home Beneficial Life Insurance Company and Life Insurance Company of Virginia, all of Richmond; North Carolina Mutual Life Insurance Co., Durham; Southwestern Life Insurance Co.,* *Dallas; and Universal Life Insurance Co., Memphis)* loaned a total of $2.4 million to a group of six colleges, all members of the United Negro College Fund. The loaned funds were combined with $1.8 million raised by the colleges from private donations, and with $300,000 from the United Negro College Fund's current Capital Resources Development Campaign.

THE ROLE OF INSURANCE COMPANIES

The insurance companies which have invested in the pilot program of the CEFP take seriously their "corporate social responsibility." They consider this Plan an important step towards strengthening private institutions of higher education. Making available loans at a discount from current market rates is a social investment which is visible, laudable and productive. Low-interest loans from additional insurance companies will enable a greater number of under-financed colleges and universities to participate in the College Endowment Funding Plan.

THE ROLE OF FOUNDATIONS

Foundations and other donors participate in the CEFP by making *unrestricted* grants for endowment building or by permitting restricted gifts which have a ten-year expenditure period to be involved in a gift/loan investment. This investment would enable the purpose of the restricted gift to be accomplished from income rather than from depletion of the capital of either the gift or the loan itself. Unrestricted gifts if used as a component of the Endowment Plan require no budget expenditure period. This Plan also achieves income to the operating budget and produces endowment.

THE SOUNDNESS OF THE INVESTMENT

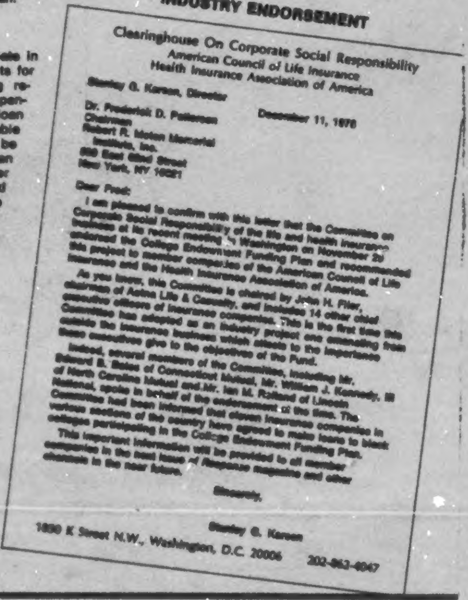
Independent analysis by investment authorities have pronounced the College Endowment Funding Plan a sound investment. A key consideration with respect to the borrowed funds is call protection, since the loan agreement commits the college to a fixed-interest rate for 25 years. All loan funds are invested in 30-year U. S. Government bonds, which are not callable during the 25-year life of the CEFP, and which provide the maximum available investment security. (Gift money is invested in a diversified portfolio of high grade corporate bonds.)

PROMOTING FREE ENTERPRISE

The CEFP encourages colleges with little or no endowment to seek independence and stability through philanthropy and the free enterprise system. Thus, total dependence is not upon federal grants, which carry inevitable controls, uncertainty of availability, and variable compliance requirements. Participants in this unique endeavor—lenders and donors—express a moral as well as a financial commitment when they support the CEFP; self-help toward independence in small colleges.

We invite the serious consideration of this opportunity by all insurance companies and institutions owning large and diversified investments.

INDUSTRY ENDORSEMENT



Clearinghouse On Corporate Social Responsibility
American Council of Life Insurance
Health Insurance Association of America

Stanley G. Karson, Director

Dr. Frederick D. Patterson
Chairman
Robert R. Moton Memorial
Institute, Inc.
[illegible] East [illegible] Street
New York, NY 10021

December 11, 1978

Dear Fred:

I am pleased to confirm with this letter that the Committee on Corporate Social Responsibility of the life and health insurance business at its recent meeting in Washington on November 2[illegible] endorsed the College Endowment Funding Plan and recommended this project to member companies of the American Council of Life Insurance and the Health Insurance Association of America.

As you know, this Committee is chaired by John H. Filer, chairman of Aetna Life & Casualty, and includes 14 other chief executive officers of insurance companies. This is the first time this Committee has adopted as an industry project one emanating from outside the insurance business which attests to the importance these executives give to the objectives of the Fund.

Indeed, several members of the Committee, including Mr. Edward B. Bates of Connecticut Mutual, Mr. William J. Kennedy, III of North Carolina Mutual and Mr. Ian M. Rolland of Lincoln National, spoke in behalf of the endorsement at the time. The Committee had been informed that eleven insurance companies in various sections of the country have agreed to make loans to black colleges participating in the College Endowment Funding Plan.

This important information will be provided to all member companies in the next issue of *Response* magazine and other channels in the near future.

Sincerely,

Stanley G. Karson

1850 K Street N.W., Washington, D.C. 20006 202-862-4047

Below: A. G. Gaston, President of Booker T. Washington Insurance Co., Birmingham, Ala., receiving plaque honoring company's participation in College Endowment Funding Plan. Presentation being made by Dr. Luther H. Foster, President of Tuskegee Institute.

Below: Coy Eklund, President and CEO of The Equitable Life Assurance Society of the United States, lead lender of the Endowment Plan, receiving plaque. (L. to R.) Presentation by Dr. Prezell Robinson, President of United Negro College Fund colleges. Witnessed by F. D. Patterson, author of the Endowment Plan.

Federal Legislation and Education in New York State

The University of the State of New York
The State Education Department
Albany
February 1979

THE UNIVERSITY OF THE STATE OF NEW YORK

Regents of The University *(with years when terms expire)*

1981	Theodore M. Black, A.B., Litt.D., LL.D., Pd.D., D.C.L., L.H.D. *Chancellor*	Sands Point
1988	Willard A. Genrich, LL.B., L.H.D., LL.D. *Vice Chancellor*	Buffalo
1986	Kenneth B. Clark, A.B., M.S., Ph.D., LL.D., L.H.D., D.Sc.	Hastings on Hudson
1983	Harold E. Newcomb, B.A.	Owego
1982	Emlyn I. Griffith, A.B., J.D.	Rome
1983	Mary Alice Kendall, B.S.	Rochester
1984	Jorge L. Batista, B.A., J.D., LL.D.	Bronx
1982	Louis E. Yavner, LL.B.	New York
1979	Laura Bradley Chodos, B.A., M.A.	Vischer Ferry
1980	Martin C. Barell, B.A., I.A., LL.B.	Kings Point
1981	Joseph R. Bongiorno, B.S., M.D.	Brooklyn
1984	Louise P. Matteoni, B.A., M.A., Ph.D.	Bayside
1981	J. Edward Meyer, B.A., LL.B.	Chappaqua
1985	Arlene B. Reed-Delaney, B.A., M.D.	Albany
1987	R. Carlos Carballada, B.S.	Arcade

President of The University and Commissioner of Education
Gordon M. Ambach

Executive Deputy Commissioner of Education
Joseph J. Blaney

Foreword

Important statutory revisions, appropriations items and proposed rescissions must be addressed by the 96th Congress. The solutions will shape education programs, particularly at the postsecondary level, well into the 1980's.

In this paper, we have described a number of issues of central concern in our State and across the nation.

First, we are concerned that Federal and state assistance programs serving the same students fit together in coherent plans which ensure that funds provide access and choice to postsecondary students. Effective planning must be promoted by linking Federal and state funds targeted for students with special needs. Complementary assistance in the form of tax deferment accounts and tuition tax credits should be provided to assist middle-income families struggling to provide postsecondary educational opportunities for their children.

Second, issues of institutional integrity and program quality must be given careful legislative attention by adjusting accreditation processes and institutional eligibility requirements for Federal programs.

Third, the Federal government must increase support for libraries, museums, and historical records projects.

Finally, the Federal role in child health and nutrition must be expanded to include preventive health care through the schools.

These points and other recommendations are advanced in this year's edition of the Regents' series *Federal Legislation and Education in New York State*. I join with the Regents in urging review and consideration of these recommendations by the Congressional Delegation of New York and other States, the President, and the Executive agencies concerned with education.

Sincerely,

CONTENTS

PAGE
I. Introduction 1
II. Guidelines for Federal Education Programs 3
III. Postsecondary Education
  Major Issues 7
  Higher Education Act of 1965
    Community Service and Continuing Education—Title I 9
    College Library Assistance and Library Training and Research—Title II 11
    Disadvantaged Students and the Institutions that Serve Them 15
    Student Financial Aid Programs—Title IV 20
    Complementary Assistance for Postsecondary Students 37
    Staff Development—Title V 42
    Financial Assistance for the Purchase of Instructional Equipment for Improvement of Undergraduate Instruction—Title VI 43
    Construction, Renovation, and Modernization of Academic Facilities—Title VII 45
    Graduate Education—Title IX 49
    State Postsecondary Education Commissions—Title XII 50
    Accreditation and Institutional Eligibility 50
IV. Health Manpower Legislation
  Health Professions Educational Assistance Act of 1976 52
  Nurse Training Act 56
V. Child Health Assurance Program 58
VI. National Historical Publications and Records Commission 62
VII. Library Services and Construction Act 64

I. INTRODUCTION

The Federal role in assisting state and local educational agencies, postsecondary institutions and other educational institutions has grown significantly in the last two decades. As Federal support of education has increased, Federal legislation and regulations have become more prescriptive, and the Federal "presence" has had a significant impact on state and local educational policy and practice. The receipt of Federal funds remains contingent upon compliance with Federal requirements. We believe, however, that requirements upon state and local agencies have become excessive for the proportion of Federal assistance available. More important, we believe recent Federal initiatives have intruded improperly on state and local authority and threaten to upset the constitutional division of local, state, and Federal responsibility for education.

In the 1st session of the 96th Congress, it is important to be mindful of basic assignments for educational responsibility in the United States. As the President and the Congress consider proposals

---

Supreme Court Decisions on State Authority for Education

A number of historic United States Supreme Court decisions support the reserved powers of states in the field of public education. In *Brown vs. Board of Education* (1954), the U.S. Supreme Court stated that "education is perhaps the most important function of state and local governments." In 1972, the Court recognized that "providing public schools ranks at the very apex of the function of a state" *(Wisconsin vs. Yoder.)*

The provision of a free public education for all citizens is a state constitutional priority. Public education is mandated by state constitution in 48 of the 50 states, and 49 states have compulsory attendance laws.

While the U.S. Constitution does not guarantee the right of public education *(San Antonio vs. Rodriguez*, 1973) it does address the Federal-state relationship. In 1941, the Supreme Court stated the following on the Tenth Amendment: "The Amendment states but a 'truism' that all is retained (by the states and the people) which has not been surrendered" *(United States vs. Darby)*. In *Fry vs. United States*, the Court further recognized that "the Amendment expressly declares the constitutional policy that Congress may not exercise power in a fashion that impairs the States' integrity or their ability to function effectively in a federal system."

However, it is widely interpreted that Congress has the authority to legislate for education programs pursuant to the spending power conferred by Art. I, Sec. 8, of the U.S. Constitution, and pursuant to the Equal Protection Clause of the Fourteenth Amendment. By the former authority, it has been established that Congress may set conditions upon which money and goods are distributed. The Supreme Court held in *Oklahoma vs. Civil Service Commission* (1947) that the Federal government may "fix the terms on which Federal funds . . . shall be disbursed.

States and localities are not required to accept Federal assistance or Federal funds. If they do so voluntarily, they enter into a contractual relationship and accept the for new enactments or renewal of existing acts, the issue of proper jurisdiction must be reviewed. We include in this introduction a brief note on "Supreme Court Decisions on State Authority for Education." We urge review of that summary.

Responsibility for providing public education constitutionally and traditionally has rested with the states and their local jurisdictions. As states have accepted Federal assistance, a contractual relationship has developed between state and Federal partners. The Congress has recognized the Federal government's limited authority in education. In 1970, the General Education Provisions Act was amended to include a "Prohibition Against Federal Control of Education." This amendment prohibits the Federal government from exercising any "direction, supervision, or control over the curriculum, program of instruction, administration or personnel of any educational institution, school, or school system." The Education Amendments of 1976 extend this provision to all programs in the Education Division of the Department of Health, Education and Welfare.

Federal legislation in education, however, includes provisions that displace state choices in structuring governmental operations and in requirements of educational service. The Federal partner appears to have stepped beyond constitutional bounds.

---

conditions upon which the assistance is offered. In July 1974, the U.S. District Court for New Jersey found with respect to Federal education programs that "research . . . indicates that all the programs are voluntary on the part of the state of New Jersey, and may be terminated at will by the state" *(New Jersey School Boards vs. Supreme Court of the State of New Jersey).*

There are limits to this reasoning, however. If we assume that Congress has the authority to provide for education programs, certainly this authority should not be construed as an unlimited prescriptive license.

In a 1976 decision on *National League of Cities vs. Usery*, the Supreme Court addressed this very issue. The Court said it had "repeatedly recognized that there are attributes of sovereignty attaching to every state government that may not be impaired by Congress, not because Congress may lack an affirmative grant of legislative authority to reach the matter, but because the Constitution prohibits it from exercising the authority in that matter." Although its ruling in that case was directed strictly to authority granted Congress under the Commerce Clause (Art. 1, Sec. 8), and specifically by footnote expressed no view on the Spending Power or the Equal Protection Clause, the reasoning is applicable to Federal-state relations in education.

At stake here is the question whether "attributes of state sovereignty" are impaired by increasing Federal prescription affecting the states' provision of a free public education. Again, in *National League of Cities*, the Supreme Court warned, "If Congress may withdraw from the states the authority to make those . . . decisions upon which . . . [public service] functions must rest, we think there would be little left of the states' 'separable and independence existence.' " The Court stated decisively that "Congress may not exercise that power so as to force directly upon the states its choices as to how essential decisions regarding the conduct of integral governmental functions are to be made." Then the Court concluded that "such assertions of power, if unchecked, would indeed . . . allow 'the national government (to) devour the essentials of state sovereignty.' "

The Administration will address this year issues related to the implementation of recently amended Federal statutes impacting directly on elementary and secondary education, adult education, vocational rehabilitation, and youth employment and training programs. The Congress will consider issues related to the reauthorization of Federal statutes which affect postsecondary education. As these issues are reviewed, we urge increased recognition of the State role in planning, coordinating and financing education, and in licensing and accreditation. There must also be a greater recognition of interstate diversity in fiscal capacity and effort as well as changing economic and demographic trends.

Key decisions must be made regarding the direction of the Federal government's involvement in shaping the structure of education. The national concern traditionally has been one of providing for special needs. This Federal effort must be coordinated at the state level with state and local initiatives serving special needs populations. More efficient delivery of Federal education resources can be accomplished if state education agencies are used more effectively to provide the intermediate level services of planning, administering, and evaluating Federal programs in local education agencies and institutions. A major Federal objective should be attainment of greater educational efficiency and effectiveness through the expansion of state education agency responsibility in Federal programs.

II. GUIDELINES FOR FEDERAL EDUCATION PROGRAMS

We urge these principles for Federal education programs:

1. Education is the responsibility of the states and the major portion of funding for education is from state and local resources. Federal funding should supplement these resources and should be directed toward particular needs in accordance with Federal purposes. Federal legislation should not direct the expenditure of state and local resources.
2. Federal programs should provide services to particular population groups such as the economically and educationally disadvantaged, the mentally and physically handicapped, the gifted and talented, and persons requiring programs of occupational education.
3. Federal programs with similar purposes serving the same population should be consolidated to assure program consistency and to provide administrative efficiency. Where programs are con-

solidated, state and local administrative agencies should have flexibility to use funds within the broad purposes of the consolidated act and not be constrained by provisions for each former separate program.

4. Although Federal funds should assist in equalizing educational opportunities and outcomes for individuals among the states, this does not necessarily mean equal dollars per pupil to all states. Regional differences in cost of services, as well as in state tax effort, and fiscal capacity, related to the states' overall commitment to expenditure for social programs, must be considered in the Federal distribution of funds.

5. In addition to support of educational operations as indicated above, Federal funds should be used for research and development activities which require a critical mass of resources not available to a single state or institution; and for educational personnel development through aid to the states; and, in turn, to local districts, for both preservice and inservice training in educational institutions and in teacher centers.

   Educational research and development funded by the Federal government should be conducted cooperatively between Federal agencies and state agencies with demonstrated capacity. Research and development program efforts must link Federal, state, local school, and classroom personnel in a vertical relationship to assure that these efforts will have a direct impact on instruction.

6. Once appropriation levels for Federal education programs are set for a fiscal year, they should not be altered by administrative deferrals or rescissions.

7. The Federal government should not place on the state and local agencies and institutions legislative mandates which create expectations not readily achievable without the commitment of substantial resources. At this time of fiscal crisis, if such mandates are to be legislated and enforced, the Federal government should provide assistance to state and local agencies and institutions to help meet the expressed needs.

8. Federal funds should be administered through state education agencies so that these funds can be linked with state and local resources for coordinated support of education. A larger percentage of Federal funds should be used to develop state plans for the use of funds, administration of funds, monitoring of programs, and evaluation of programs. Federal regional services offices should be discontinued in order to provide a direct relationship between the states and the U.S. Office of Education in the administration of Federal programs.

9. Federal programs administered by agencies other than the Department of Health, Education and Welfare and having direct impact on education should be coordinated with existing education programs at both the Federal and state levels. Federal funds should not be used to establish duplicative or competing education or training programs.

Federal Support of Nonpublic Education

The critical fiscal plight of public education is shared by the nonpublic sector. In recent times, parents of children attending nonpublic schools and the administrators and teachers in those institutions have sought assistance from Federal and state governments by way of funds and services. The Regents of New York State have overall responsibility for the education of all children. In fulfillment of that obligation, we have endorsed governmental assistance to the pupils in nonpublic schools within certain guidelines.

Legislation to aid children in nonpublic education should not jeopardize the welfare, stability, and adequacy of support for public schools.

Such legislation should be effective in providing meaningful opportunities to children of lower-income families who, of all groups, have the least choice about when and where their children are to be educated, and to middle-income families whose resources are strained by high tuition costs.

Public support of nonpublic education must be sufficient to maintain a pluralistic system adequate in quality and economical in operation, but not so large as to jeopardize the independence of nonpublic schools, to dry up sources of private and philanthropic support, or to encourage organization of new schools with the purpose or effect of increasing racial separatism.

Such legislation should require accountability for public funds received, contain safeguards against racial and social class isolation in the nonpublic schools, prohibit use of public funds for any sectarian purpose or function, and provide for nondiscriminatory admission policies except where permitted by law on the basis of creed.

All nonpublic schools receiving public funds should meet standards of quality prescribed by state and local authority. The Federal government should not intervene in setting such standards.

Finally, such legislation must conform to constitutional principles enunciated by the courts or have reasonable prospects of being approved by the courts in the event of a challenge.

We commend the Federal government on the programs and services which bring education benefits to children in nonpublic schools.

Relief From the Paper Blizzard

A continuing task of the regulatory process is analysis of existing regulations to determine how they can be simplified to reduce paperwork. The paperwork burden imposed by Federal regulations upon state and local education agencies and institutions of postsecondary education continues to grow. Requirements for data collection and recordkeeping as part of state and local administration of Federal programs constitute a blizzard of paperwork. The problem is especially acute for small and poorer institutions and in modest programs in which the administrative work overwhelms the projects. There is an urgent need to simplify regulations to minimize paperwork.

We were instrumental in bringing about enactment of the "Control of Paperwork" amendment to Title IV, General Education Provisions of the Education Amendments of 1976 (Sec. 406 (g)).

The Education Amendments of 1978 took a further step in expanding on this notion by providing a more comprehensive approach to the control of paperwork. We look forward to the rapid development of regulations in this area and urge that continued efforts be directed toward minimizing or eliminating burdensome requirements for collecting and reporting data. The following principles should be considered:

1. Federal programs should provide for multiyear state and local plans and applications with annual updates required only to reflect significant changes. Repetitive annual state and local plans and applications create volumes of unnecessary paperwork since few substantive changes occur from year to year.
2. The Federal administration of programs aimed at the same populations should be consolidated within agencies, and coordinated among agencies. The lack of a centralized system of grants and program management at the Federal level intensifies problems of communication and administration faced by state and local education agencies.
3. Whenever possible, state and Federal data collection activities and deadlines should be coordinated. The U.S. Office of Education should be allowed to negotiate agreements with individual states where state law and Federal data requirements are not compatible.
4. A stronger Federal-state cooperative system of data collection should be developed in education similar to existing systems in other Federal agencies such as the Department of Labor, the Bureau of the Census, the Law Enforcement Assistance Administration, and the Department of Agriculture. Building streamlined information systems in state education agencies will substantially improve the reliability and timeliness of educational statistics at both the state and Federal levels while reducing the data burden placed on local education agencies.

III. POSTSECONDARY EDUCATION

Major Issues

With the impending reauthorization of the Higher Education Act as amended, a number of major postsecondary education issues await action by the 96th Congress. Policy choices regarding statutes and appropriations will determine the effectiveness of the state/Federal/institutional partnership in postsecondary education in the 1980's, as well as the degree of access and choice available to postsecondary students. A number of major postsecondary issues and concerns flow from the experience of the 1970's in postsecondary policymaking at the state, Federal, and institutional levels. While other issues and problem areas are worthy of consideration, the Regents believe that those discussed below are of highest priority in determining the quality and direction of the state and Federal roles in assisting postsecondary institutions and their students.

- Federal legislation should recognize the expanding roles, responsibilities and efforts of states in planning, coordinating, and financing postsecondary education. Federal programs of postsecondary assistance should achieve maximum efficiency and cost-effectiveness by building upon and being coordinated with state programs and administrative procedures serving the same populations. Allocation formulas providing Federal postsecondary assistance should recognize the diversity among states with respect to fiscal capacity, effort, and economic conditions such as costs. The diversity of postsecondary institutions among and within states also should be recognized.
- The patchwork of Federal requirements for state planning in many areas of postsecondary education should be interrelated and coordinated with comprehensive postsecondary planning at the state level to ensure effective use of Federal and state resources. Federal legislation should require that state planning done in the context of Federal postsecondary education programs be related to comprehensive state planning for postsecondary education.
- As inflation continues to impact on postsecondary education costs and as enrollments decline, Federal programs of postsecondary assistance must be reassessed and new initiatives explored to preserve quality, balance, and diversity in postsecondary education.
- In all sectors of postsecondary education, inflation has increased postsecondary costs significantly over the last several years. The

need for expansion of Federal initiatives providing student financial assistance is critical. The Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant, and State Student Incentive Grant programs are of major significance in providing access and choice to disadvantaged and middle-income students. In expanding these programs, emphasis should be placed on clearer definitions of program objectives and refinement of program administration, as well as simplification and coordination of programs. State, Federal, and institutional programs should fit together in a coherent package. A more effective state/Federal/institutional partnership in the operation of these programs should be developed.

- Federal programs of postsecondary assistance are targeted to nationwide problems which are, in many respects, unique at state and local levels. States can best respond to the particular circumstances. Consolidation and simplification of programs should be accompanied by decentralization of administration of postsecondary assistance programs to the state level. Student aid programs, as well as programs for outreach, guidance, counseling, remedial services, testing, and referral services for disadvantaged students lend themselves to decentralized administration when they are structured to accommodate interstate variations in postsecondary needs. Federal law should establish the public policy objectives to be achieved by such programs. Within broad guidelines, states should be authorized to establish appropriate structures and procedures to carry out these objectives in the context of their own circumstances and organizational patterns.
- Federal postsecondary education programs should respond to the needs expressed by large numbers of adults currently seeking postsecondary education. Postsecondary educational opportunities for adult learners provide increased workplace capabilities for those already employed, as well as career retraining and personal enrichment. Business and industry have made substantial financial commitments to support the further education of adult learners. The Federal government should underwrite that commitment by expanding support to institutions and adult learners for full- and part-time study. Eligibility limitations which are based solely on age and preclude Federal postsecondary assistance should be eliminated.
- Economic, social, and political trends of the late 1970's, extending into 1980's, indicate that the demand for highly trained decision-makers and technicians will be substantial in the fu-

ture. State and local tax bases already are subjected to a number of constraints which preclude dramatic increases in funding from these sources to provide the graduate level training necessary to meet this national need. More Federal assistance for graduate institutions should be a national priority.

- In order to provide postsecondary education which is relevant and meaningful in the context of the 1970's and 1980's, increased interaction is needed between systems of education and work. Federal programs of postsecondary assistance should provide incentives for such cooperation. A national priority for increased partnership between postsecondary education and work should include expansion of existing work study programs to enhance students' career experience and to provide student financial assistance.

The Regents urge attention to these postsecondary educational priorities on a national level to ensure a comprehensive and effective program of postsecondary assistance.

Higher Education Act of 1965

Community Service and Continuing Education—Title I

The Regents recognize the important contribution of postsecondary institutions in developing solutions for community problems and in providing lifelong learning opportunities to meet the challenges facing American society.

The Regents encourage postsecondary institutions to work in cooperation with labor, industry, government and all other elements of society in order to address economic and other major issues. Title I-A of the Higher Education Act provides funds for community service programs to assist in the solution of a variety of urban, suburban and rural problems. During the 1978–79 academic year, more than 30 colleges and universities in New York State were awarded funds under this program. However, the FY 1979 appropriations bill provided 11 percent less funding for Title I-A than the preceding year.

Title I-B contributes to the support of lifelong learning opportunities for the adult population. The urgent need for lifelong learning opportunities provided by Title I is increased by accelerated rates of social and technological change. Social changes have made new roles available to minorities, women, and older Americans. The explosion of academic and technical knowledge has contributed to educational obsolescence in every discipline and in every occupation. In the 1970's context of rapid change, education cannot serve society if it terminates with the acquisition of entry-level skills for employment. Lifelong learning is essential to meet changing social and technical, as well as physical and psychological, needs.

A major form of lifelong learning contained in the Higher Education Act's Title I is the upgrading and expansion of adult workplace skills. Particularly in times of high unemployment, lifelong learning offers a low-cost alternative to the traditional *ad hoc* expansion of the unemployment insurance system, or to creation of limited public service jobs, in order to improve the quality of work and the condition of the labor force. Used in this fashion, lifelong learning can reduce underemployment, welfare costs and structural inequities in the educational system. Despite the intensity of this need and the program's potential utility in contributing to the solution of major national problems, no appropriation for Title I-B has ever been made.

The Federal government already has made a significant investment in lifelong learning, but potential economic benefits are not being realized. Education and training opportunities (particularly for the older worker) stand virtually at prerecession levels. One reason for this low investment return is the lack of comprehensive postsecondary planning caused by statutory separation of the Higher Education Act's Title I programs and allocations. Another reason for reduced returns is that the partnership between education and work has not been adequately defined. Too often, these sectors have operated as separate and independent systems. The passage of the new Youth Title of the Comprehensive Employment and Training Act has improved local-level cooperation between manpower authorities and educational institutions. The Act also establishes an initial and necessary link between education and work. This link can provide a basis for a system of lifelong education for American workers.

Another effort at improving the partnership has been the Urban Grant University Act proposed in the 95th Congress. That legislation would have added a part authorizing the designation of certain postsecondary institutions as Urban Grant Universities to Title I. The Act would have authorized funding to support efforts of such institutions to aid in seeking answers to urban problems and in making their educational, research, and service capabilities more readily available to urban communities. This type of legislation supports the Regents' emphasis on greater cooperation enriching institutions and other elements of society.

Recommendations:

1. In order to maximize returns on the Federal investment in lifelong learning, Title I-A and Title I-B should be consolidated into a single lifelong learning program. Coordination among effective institutional and community programs that complement one another (especially programs funded under the Comprehensive Employment and Training Act) should be emphasized. Combining the two authorizations should also make planning for lifelong learning an integral part of state comprehensive postsecondary planning.
2. With the consolidation of Title I-A and I-B, funding for Title I should be increased significantly over the FY 1979 appropriation.
3. The intent of Title I is to serve an adult target population which is not uniformly distributed across states. The base allocations for each state and territory should be eliminated. Allocations should be made solely on the basis of the target population of adults (18 or over) in each state.
4. Discretionary grants should be made available to states to assist them in evaluating both the state plan for the Title I programs and all state Title I projects.
5. Discretionary grants should be made available to states to enable them to examine how continuing education and lifelong learning activities can be combined.
6. The United States Commissioner of Education should be authorized to waive the requirement that postsecondary instituions match from non-Federal sources funds provided for the support of projects specifically designed to complement CETA-funded projects and similar projects providing training and retraining for out-of-work adults.
7. A program of support for Urban Grant Universities similar to that proposed in the 95th Congress should be enacted as a new part of Title I. The provision should assist public and independent institutions in urban areas in making their resources more available to urban communities.

College Library Assistance and Library Training and Research—Title II

College and university libraries provide vital services not only to researchers, educators, and students in every field, but also to the networks which enable libraries of all types to serve their users.

Federal assistance is important to these libraries and to those who pursue professions in library science and who wish to promote research and innovation improving public library services.

Higher Education Act Title II-A

Acquisition programs in college and university libraries are especially important. Colleges and universities are the cutting edge in developing new knowledge through research in every field. In order to produce the best possible research, higher education professionals and students must have the most current knowledge available. Institutions also need to acquire materials in new fields of knowledge to keep pace with curriculum changes. Unfortunately, as postsecondary institutions face declining enrollments, retrenchment, and economic pressures, acquisition programs often are the first reduced in order to preserve positions and academic programs.

Simultaneously, acquisitions are feeling the pinch of inflation. The average cost of a book has increased 114 percent since 1967. Prices of periodical and serial publications, the most current information sources, have increased 207 percent since 1967.

Federal assistance for college and university library acquisitions in the past has been provided through Title II-A of the Higher Education Act. The Act establishes basic grants up to $5,000 for library resources such as books, periodicals, documents, magnetic tapes, records, and audiovisual materials. As inflation has continued to raise the price of library books and periodicals by 100 and 200 percent respectively since 1967, the appropriation level for Title II-A has dropped by more than half. In FY 1977 and again in FY 1978, the appropriation for Title II-A was insufficient to fund grants at the $5,000 level. In FY 1977, grants not exceeding $3,855 each were made to 201 eligible institutions in New York State. Fiscal year 1977 saw no administration request for Title II-A, although both House and Senate versions of FY 1979 provide for the same funding levels as in 1977.

Recommendations:

1. As New York State continues to suffer from both inflation and economic hardships, its postsecondary institutions will face even greater financial constraints. Because postsecondary library acquisitions are of central importance to development of new knowledge and to the education of future professionals in every field, the Regents recommend the reauthorization of this program to strengthen postsecondary library resources in the State.

2. Supplemental and special purpose grants under this program which have been unavailable in recent years should be reinstated. These grants are high priorities for institutions needing new materials to keep pace with curriculum changes.
3. Eligibility requirements for Title II-A have been expanded to include the Reference and Research Libraries Resources Councils (3R's). This revision makes Title II-A resources available to all students. Further action is needed to increase the availability of Title II-A resources to more adult learners. This should be accomplished by providing similar eligibility to public libraries which have educational brokering centers, to other adult independent learning centers, and to educational counseling services such as those provided by the New York State Higher Education Learning Advisory Service.

Higher Education Act Title II-B

Postsecondary library and information science programs are vital to the training of library professionals and paraprofessionals. This activity has been supported by Title II-B of the Higher Education Act which provides grants to postsecondary institutions or library agencies to support such training through fellowships, traineeships, and trainee institutes. Both fellowships and institute grants make it possible to target training efforts upon clearly identified need. For example, minorities are underrepresented in library and information science. There is a strong continuing demand for minority librarians, community outreach librarians, media specialists, and library automation specialists as projected by the Bureau of Labor Statistics. Assistance to minority students has been a high priority under Title II-B in recent years. Training institutes provided by Title II-B funding are an important and cost-effective way to share specialized skills with increased numbers of professionals. The institutes provide an efficient way to update skills as patrons' needs, library services, and library technology change. One institute held this year at the New York State Library brought together representatives of statewide library association, consultants and library school educators to develop state-level programs for continuing education. Title II-B fellowship and institute funding in New York State for FY 1977 totaled $329,000. Training monies also were received.

A second important activity funded by Title II-B is the demonstration grant subprogram. A 1978 study commissioned by the U.S. Office of Education points out that "This is the only federal program for innovative library research and demonstration that supports a wide range of research to improve public library services. It has generated new knowledge about innovative approaches to networking, serving special target groups, utilizing community resources and new technology." In FY 1977, New York State institutions received demonstration funding totaling $141,000. These grants can be used to enable libraries and consortia to accelerate development of computerized data bases. These will facilitate the establishment of a national bibliographic data base.

Recommendations:

1. To better meet the library service and information needs of ethnic and bilingual communities, and to train library professionals and paraprofessionals to use technological innovations in library science, the Regents recommend that Title II-B of the Higher Education Act be reauthorized and funding be increased.
2. To promote flexibility in funding for institutional needs, the specific percentage division of the Title II-B allocation by activity should be eliminated from the Title II-B formula.
3. Legislation should provide for multiyear funding of appropriate demonstration projects.
4. The U.S. Office of Education should broaden its program for making the results of these demonstration projects available to library administrators.

Higher Education Act Title II-C

The work of scholars, students, and researchers who add to the available knowledge in all fields is sustained by major research libraries. These include academic, state, and public or independent research libraries. Their collections make a significant contribution to higher education and to research. These collections also are used by others outside the library's primary clientele.

Research libraries have received support from Title II-C of the Higher Education Act. That title was first funded in FY 1978. New York State received three grants of the 20 national grants including a substantial amount of funding to assist the New York State Library and other libraries in incorporating their monographic collections into a national data base.

Recommendation:

As research libraries face increased financial difficulties, Federal support should be given for the expansion of knowledge in all disciplines by extending Title II-C.

New Program for Employing New Technologies

The New York State Governor's Conference on Libraries pointed out that technical developments can "significantly affect the manner in which such information resources could become accessible to the citizen, the economic enterprise of New York State and to state and local governing bodies." The Conference stated that state and national networking of information resources cannot reach full effectiveness without "further development and application of technology." Similar conclusions are being reached in White House Conferences in other states. Computer and other technologies are developing rapidly. The application of these technologies to library and information sciences has great potential, but these technologies were designed for other uses. Libraries must develop and test new systems to meet institutional and patron needs more efficiently and to provide entirely new services. Satellite, microtransmission, the "electronic mailbox," and video disc hold major promise for improving library services, while reducing cost increases in providing such services.

Recommendation:

Federal demonstration funds should be made available for projects applying new technologies, such as telecommunications, to library communications, to library administration, and to bibliographic information storage and retrieval. Participation in the program should be open to all types of libraries. This program should be established by adding a new Part D to Title II.

Disadvantaged Students and the Institutions that Serve Them

Assistance to institutions serving significant numbers of educationally and economically disadvantaged students is authorized under several portions of the Higher Education Act. These portions are Title III and Title IV, Part A, Subparts 4 and 6.

The first of these, Title III provides Federal assistance for "developing institutions." These institutions, suffering under financial and academic handicaps, perform an important service by enabling large number of economically and educationally disadvantaged students to pursue postsecondary education. Title III gives special emphasis to aid for applicants when such assistance contributes to equalized postsecondary educational opportunities for Native American and Spanish-speaking students.

Title IV, Part A, Subpart 4 also aids institutions in assisting postsecondary students from disadvantaged backgrounds. This subpart authorizes grants and contracts to support the "TRIO" programs: Talent Search, Upward Bound, and Special Services for the Disadvantaged. All of these programs are designed to support institutions in assisting disadvantaged postsecondary students. Their purposes are as follows:

- **Talent Search**—identifying in-school and out-of-school youths "of financial or cultural need with an exceptional potential for postsecondary educational training" to encourage them to complete secondary and enter postsecondary education.
- **Upward Bound**—providing skills training and motivation to high school students from low-income backgrounds "with inadequate secondary-school preparation" to enable them to succeed in postsecondary pursuits.
- **Special Services for Disadvantaged Students**—providing remedial and support services for enrolled college students of "deprived educational, cultural, or economic background, or physical handicap," or of limited English-speaking ability.

Subpart 4 also offers three additional programs which provide services to disadvantaged students seeking postsecondary educational opportunities. Two of these programs authorize Federal assistance to establish service centers for disadvantaged persons seeking or pursuing postsecondary education. The first is the Educational Opportunity Center (EOC) program. This program offers Federal support for up to 75 percent of the cost of establishing and operating EOCs serving areas with high concentrations of low-income persons. EOCs assist the disadvantaged in applying for postsecondary admission and for postsecondary financial assistance. They also provide tutorial help for disadvantaged postsecondary students. Centers serve postsecondary institutions by acting as recruiting and counseling pools to coordinate resources and staff assistance efforts of institutions in admitting educationally disadvantaged persons. One of the 22 EOCs established nationally is the Computer Based Educational Opportunity Center of The City University of New York.

The second Subpart 4 program serving a similar purpose is the Service Learning Center program. It offers Federal support for postsecondary institutions serving substantial numbers of disadvantaged students. This authorization underwrites 90 percent of the institutions' cost of providing remedial and other special services to disadvantaged students. Participating students would receive modest Federal stipends. This authorization has never been funded.

A final Title IV program, related in purpose to Title III, provides training for "staff and leadership personnel who will specialize in delivery of services to students" in the five programs previously described. Higher education institutions, public agencies, and nonprofit private organizations may conduct short-term training institutes or inservice training for such personnel.

The goals of Title IV, Part A, Subpart 6 also are similar to those of Title III and to Subpart 4. Subpart 6 authorizes direct cost-of-education payments to institutions of higher education under a formula. This formula is based on enrollment and on the number of students at each institution receiving Basic Educational Opportunity Grants. It also takes into consideration the amount of Supplemental Educational Opportunity Grant, College Work Study, and National Direct Student Loan funds received by the institution. Such payments may be as much as $500 for each Basic Grant recipient plus an amount equal to 50 percent of the institutions' Supplemental Grant, College Work Study and National Direct Student Loan funds.

The program authorized by Title III and Title IV, Subparts 4 and 6 aim at expanding access to, and enhancing success in, postsecondary education for the disadvantaged. Yet they overlap with one another and with many New York State programs. For instance, Upward Bound, Talent Search, and EOCs all can provide services to disadvantaged youth with college potential. The fully State-funded Educational Opportunity Centers of the State University of New York provide similar services. Numerous community agencies, especially in major urban areas, provide such services as well. The services available through Special Services to Disadvantaged Students also are provided through New York State's own postsecondary opportunity programs. Many of the activities of the proposed Service Learning Centers already are partially subsidized through the State's opportunity programs, and many more are supported by regular institutional sources. Occasionally improper duplication, such as double counting of students, results. Clearly, greater coordination is needed if the available Federal and state resources are to be used with maximum effectiveness to increase postsecondary access for disadvantaged students.

Areas of overlap offer starting points for state-level coordination of these similar state and Federal programs. For example, cost-effective delivery of both state and Federal services to the disadvantaged would be achieved by coordinating Upward Bound's post-12th year summer program and the New York State Higher Education Opportunity Program's prefreshman summer assistance to disadvantaged students.

Consolidation

The authorizations contained in the Higher Education Act's Title III and Title IV, Subparts 4 and 6 serve similar purposes and are targeted to the same population of disadvantaged students. Because education of the disadvantaged is a national policy priority, the Regents urge consolidation of these authorizations under a new Title to provide the most efficient and cost-effective aid extending post-secondary educational opportunity to the disadvantaged. The authorizations from these programs should be combined in a dollar-for-dollar incentive program of state-Federal matching. In consolidating these Titles, the new authorization should be no less than the previous total authorization for each categorical program. Appropriations for the new Title should equal the combined level of the previous year's appropriation for the categorical programs to be consolidated.

Consolidation of these programs would provide more flexibility for states which fund similar programs and maximize opportunities for the disadvantaged. This would be accomplished by providing state-level coordination of both state and Federal programs offering such services. Administration through a state planning process assures the use of Federal Special Services funds in an equitable, orderly, and nonduplicative way. A state plan should be required to enhance the impact of Federal and state funds. State planning will assure that all existing referral *and* service agencies, such as New York's State-funded EOCs or community agencies, are identified, strengthened, and taken into account in the planning process. Additional resources should be used to create new entities only where no existing constitution adequately performs such tasks.

Consolidation of these Titles should ensure reauthorization and expansion of the Upward Bound program. Once considered a prototype, Upward Bound has proved its effectiveness. Economic constraints on states and localities make it impossible to provide resources from their narrower tax bases to replicate Upward Bound's success. Increased Federal assistance is required if the program's objectives are to be widely achieved. To ensure more effective program administration, the new Title should allow flexibility for states which have established their own criteria to define educationally and economically disadvantaged populations.

Recommendations:

1. The Regents recommend that aid to institutions now authorized by Title III and by Title IV, Part A, Subparts 4 and 6 be placed in a new, revised Title III. That new Title should focus on aid to institutions enrolling substantial numbers of students, of all ages, who are both educationally and economically disadvantaged. The new Title would assist such institutions in serving

the present academic and cultural needs of these students and in planning to adapt to meet their future needs.

2. The Regents recommend that the revised Title III have three parts:

   (a) Part A would authorize a program of aid to states that establish programs to assist public and independent institutions in serving educationally and economically disadvantaged students. Such an incentive program, similar to the State Student Incentive Grant program, would require states to match Federal funds on a dollar-for-dollar basis. This new program would replace the program of cost-of-instruction grants now authorized by Subpart 6 of Part A of Title IV at the authorization level provided in the 1972 Education Amendments.

   (b) Part B would authorize the programs now authorized by Subpart 4 of Part A of Title IV, in the following format:

      i. EOCs would be combined with Talent Search and administered under a state plan adopted by the state 1202 commission.

      ii. Upward Bound would be continued and strengthened. The U.S. Commissioner of Education should have the ability to adjust program eligibility criteria under certain conditions. The Commissioner would have discretionary power to adjust eligibility criteria in states having established criteria to define the educationally and economically disadvantaged for potential postsecondary populations.

      iii. To devise procedures providing maximum cost-efficiency for the new Title, the U.S. Commissioner of Education would be required to contract with not less than two or more than four state 1202 commissions to conduct pilot projects for the administration of Special Services for Disadvantaged Students activities.

      iv. Because the activities of Service Learning Centers are part of the mainstream services higher education institutions provide and are used by many students who are not disadvantaged, that program should not be reauthorized. The authorization should be transferred to Special Services for the Disadvantaged and Talent Search/Educational Opportunity Centers.

      v. The authorized training activities should be continued and funded. Eligibility for these activities should be expanded to include not only those working in federally funded programs, but also those in state or institutional programs which (in the judgment of the U.S. Commissioner of Education, with the advice of the state 1202 commission) have essentially similar missions and serve essentially the same clientele.

   (c) Part C would replace the present program authorized by Title III. This new program would assist and strengthen institutions enrolling significant numbers of educationally and economically disadvantaged students, and participating in state programs for such students eligible for support authorized in Part A. The present authorization for Title III would be retained for Part C.

Student Financial Aid Programs—Title IV

Student assistance is one of the most effective ways to meet the state and national goals of expanding access and choice to ensure that no student is barred from postsecondary education for economic reasons. Student assistance is both a state and a Federal responsibility. An adequate student aid system cannot be developed without an effective state/Federal/institutional partnership in both student aid funding and delivery.

The Regents are concerned especially that Federal, state, and institutional assistance programs, together with family contributions, fit into a set of clearly defined long-range objectives. Federal programs should be shaped by these guidelines. Federal grants to students in combination with direct payments by students and families should equal half the cost of postsecondary attendance. Other Federal assistance programs, such as loans and work study, together with state and institutional student aids and family or student loan obligations, should provide the remaining half of postsecondary student attendance costs.

Although programs of postsecondary financial assistance are the primary way in which the Federal government provides postsecondary support, states have an important role to play. Even though most states now have some form of student assistance program and Federal funding has increased, the concept of a Federal/state/institutional partnership to provide student aid ensuring access and choice to economically disadvantaged students remains unfulfilled.

For FY 1979, Federal appropriations for six major Title IV programs (Basic Opportunity Grants, Supplemental Educational Opportunity Grants, State Student Incentive Grants, Guaranteed Student Loans, National Direct Student loans, and College Work Study) exceed $5 billion and will serve approximately 5 million students. State student aid programs will provide another $810 million and institutionally funded programs will provide another $1 billion. The magnitude of these programs, in both expenditures and numbers of students served, necessitates a closer relationship and understanding of the program and the roles of governments and institutions.

A continuing need exists for improvements in administration and coordination of the programs of student financial assistance contained in Title IV of the Higher Education Act and broadened by the Education Amendments of 1976 and the Middle Income Student Assistance Act of 1978. National reviews conducted in 1977 revealed significant problems and weaknesses in the administration of aid under these programs. For example, students must file multiple applications for Federal financial assistance. The various types of Federal programs serve defined needs, but they must be more effectively related to each other and more effectively provided to the students.

The development of policy and a growing portion of student assistance for postsecondary education occurs at the state level. States are more closely involved with institutions and students than is the Federal government, and are able to assist a wider range of citizens and students. Because of the state's role in the support of education and the provision of educational opportunity, states need to have a major role in coordinating student aid. Accordingly, where feasible, information dissemination and collection, processing, and program administration for student aid should be decentralized to the state level.

In operating student assistance programs, the Federal government should respect the diversity of state structures and laws for providing educational opportunity. Federal laws and guidelines for student assistance should not limit different state approaches to achievement of national goals of educational opportunity.

Recommendations:

The Regents urge that priority be given to support of increased funding for the Basic Educational Opportunity Grant program, which is a national entitlement program. The Regents also urge that the other student assistance programs authorized in Title IV (the Supplemental Educational Opportunity Grant program, the State Student Incentive Grant program, the College Work Study program, and the Guaranteed Student Loan Program) be expanded. Specific recommendations for each of these programs follow.

Basic Educational Opportunity Grant Program
Subpart I, Part A

The Basic Educational Opportunity Grant program (BEOG) is the primary need-based student assistance program through which the Federal government fulfills its responsibility to ensure access to postsecondary education. The BEOG program is 100 percent federally funded. It is based on the concept that all students who need financial aid to attend an eligible postsecondary institution are entitled to receive grant assistance. Student eligibility is determined by the Federal government through a contractor, using an "eligibility index." The index is based on standard allowances as well as on income and asset expectations. Eligibility index figures are made available to the applicant, who is then free to arrange with any eligible institution for receipt of the Basic Grant. The amount of such a grant is subject to limits based on allowable costs of attendance at the chosen institution and on the eligibility index. The law provides for certain restrictions on student eligibility and for ratable reduction in years of less than full funding. Basic Grants are currently limited to $1,600 or one-half of the allowable costs of attendance, whichever is less. The Office of Education publishes a Schedule of Payments which relates the eligibility index allowable costs to arrive at individual grant amounts. In FY 1979, the maximum grant will be $1,800. Total appropriations will be $2.6 billion.

The 1978 Middle Income Student Assistance Act altered the BEOG program significantly. It is anticipated that in academic 1979–80, the average Basic Grant will be $944 nationally compared to $820 for academic 1976–77. Two of the most important improvements made by that Act are:

1. Extension of Basic Grant eligibility from a maximum family-adjusted gross income of $15,000 to $25,000. This expanded eligibility is accomplished by lowering the income assessment rate from the current 20 percent on the first $5,000 of discretionary income (and 30 percent of all incomes over that level) to an across-the-board 10.5 percent rate.
2. Expansion of Basic Grant eligibility for independent students. This is accomplished by treating their assets like those of families with dependent children and by treating the income of the single independent student (for purposes of subsistence) like that of all other students.

Despite these improvements in the BEOG program, several further revisions are needed. First, eligibility should be expanded to provide further access. This should be achieved by simplifying the eligibility index. Calculation of assets should be excluded from the index and allowances for other family members in postsecondary education should be increased.

There are a number of reasons for excluding the asset test from the eligibility index. Assets cannot be equated with wealth as measured by disposable income. To include the value of nonliquid assets, particularly a home, in the calculation is inequitable. Such an asset test is nonverifiable and home values often are misrepresented, intentionally and unintentionally. It is also difficult to gauge the current market value of a home against the purchase price from a previous decade or earlier. Ownership of a home is more often related to whether a family lives in an urban or nonurban area than to family financial strength. Similarly, little relationship may exist between home ownership and ability to pay postsecondary education costs in the case of the single-parent family. Moreoever, assets do not always produce disposable income. The proprietor of a small business may have substantial assets, yet realize little disposable income. In response to this inequity, the U.S. Office of Education in recent years has increased the portion of excluded assets for BEOG eligibility. This initiative has expanded BEOG eligibility not only in such cases, but also for middle-income families. More action in this area is essential.

Postsecondary assistance to middle-income families should also be broadened by increasing allowances for other family members enrolled in postsecondary education. Middle-income families are those most likely to suffer financially under periods of "sibling overlap" in which more than one child is enrolled in postsecondary education.

A second necessary revision in the Basic Grant program relates to the $1,800 ceiling on the grant award to each student. Although this maximum amount appears adequate for 1979–80, the law provides for no increase in the maximum in subsequent years. In an era of double-digit inflation, the intent of the law will not be realized if awards fail to reflect the effects of inflation on college-going costs. Such a percentage increase ranges from 48 to 87 percent in the period from academic 1972–73 to academic 1978–79 across all postsecondary sectors.

A third category of revisions in the Basic Grants program is needed to bring student aid into the statewide picture of postsecondary educational finance. Planning for student aid should be an integral part of statewide postsecondary planning in order to extend access and choice of institutions to students.

Use of a single application for both state and Federal grant programs will facilitate this planning process as well as reduce paperburden and turnaround time. However, present law permits only the few states which offer portable state awards to contract with the Office of Education to process applications. Because there are current variations in, and lack of parity among, state student aid programs, portability creates inequities in the treatment of similarly situated students. Portability can also permit, or even encourage, states to escape their responsibilities for providing adequate access to postsecondary education. States which tax themselves to provide nonportable programs to fulfill postsecondary responsibilities to their residents should not be denied the benefits of participation as contractors in processing BEOG applications.

Recommendations:

1. Because assets do not provide an equitable measure of ability to pay, the eligibility index should be simplified to exclude them. To expand assistance for middle-income families, the index should be revised to increase allowances for other family members in postsecondary education.
2. The maximum BEOG award should be $1,800 in 1979–80 as authorized. Subsequently the maximum award should be adjusted periodically to respond to the effect of inflation on costs of attendance.
3. To increase efficient and effective postsecondary planning at the state level and to avoid penalties to states providing nonportable programs, the legislation would be amended to permit states with nonportable awards to contract with the Office of Education to process Basic Grant application.

Supplemental Educational Opportunity Grant Program
Subpart 2, Part A

The changes which the Regents recommend for the BEOG program would improve access to postsecondary education. But equal postsecondary educational opportunity has two dimensions: access and choice. Access to the postsecondary system, without regard to the type of access, implies that class status rather than individual abilities, needs and career goals determines opportunities for higher education.

Through the Supplemental Educational Opportunity Grant (SEOG) program, the Federal government ensures eligible students access to a range of institutional choices and protects institutional diversity. The SEOG program is a 100 percent federally funded program to aid "qualified students, who for lack of financial means," would be unable to attend postsecondary institutions. Supplemental Grants are awarded to those students who qualify for little or no assistance from the Basic Grant program or who need assistance to attend a relatively high-cost institution.

To be eligible to receive a Supplemental Grant, a student must be determined by an institution to:

1. Be accepted for enrollment as an undergraduate or be an undergraduate in good academic standing;
2. Show evidence of academic and creative promise and capability of maintaining good academic standing;
3. Be of exceptional financial need; and
4. Be unable to attend the institution without such a grant.

Grants must not exceed one-half of the total amount of financial assistance awarded a student in an academic year (including Basic Grants, College Work Study, National Direct Student Loans, and state and private scholarships) or $1,500, whichever is less.

For FY 1979, $340 million has been appropriated for Supplemental Grants. This is an increase of $70 million over the FY 1978 appropriation. The growth of the Basic Grant program has resulted in a shift of an increasing number of Supplemental Grants to students from middle-income families. During 1974–75, 5.3 percent of Supplemental Grant recipients were from families with incomes exceeding $12,000. During 1976–77, 18.6 percent of the awards were to students from families over $12,000. SEOG ensures choice for these middle-income students unable to attend higher tuition public and independent institutions without Federal assistance. Many of these higher cost institutions require students to assume a sizable self-help responsibility before any institutional grant funds, including SEOG, are awarded.

Several revisions in the SEOG program should be made to equalize its effectiveness and broaden eligibility. Despite the intent of the Supplemental Grant to ensure postsecondary educational choice for students in financial need, variations in the cost of attendance among the states have a disequalizing effect on the opportunities which SEOG funds provide. Changes should be made in the SEOG formula to reduce the substantial impact of interstate variations in attendance costs on the target population of undergraduates. SEOG funds should be allocated to the states based on the number of undergraduates in the state multiplied by the average cost of attendance at all institutions in the state. Within these state allocations, the Federal government should apportion funds directly to each eligible institution on the basis of institutional applications.

Because the type of student enrolled in postsecondary education is changing, eligibility for SEOG assistance should be broadened. There are significant numbers of adults who can benefit from postsecondary education. Society would benefit from their increased participation. The Supplemental Educational Opportunity Grant program requires that participating institutions "make rigorous efforts" to seek out and aid qualified youths of exceptional financial need and encourage them to continue their education at the postsecondary level. Postsecondary institutions cooperate with secondary schools and make conditional commitments of financial aid to qualified secondary school students. In order to expand postsecondary educational opportunity for adults, a provision should be added to the Supplemental Grant program, paralleling that for qualified secondary school students. Such a provision should require institutions to "make rigorous efforts" to identify and aid qualified persons of any age, who are of exceptional financial need, and to encourage them to continue their education at the postsecondary level.

To accommodate new types of students, institutional flexibility and capacity to treat differently situated students must be increased. This could be accomplished by authorizing institutions to make Supplemental Grants to less than half-time students. These students, particularly adult learners with other responsibilities, are unable to commit larger shares of their time to education. These persons might be denied postsecondary educational opportunity if Federal assistance were not provided.

Recommendations:

1. To equalize the effectiveness of the Supplemental Grant program among states that vary in their costs of attendance, the Regents recommend that the SEOG funds be allocated by state based on the number of undergraduates in the state multiplied by the average cost of attendance at all postsecondary institutions in the state. The Federal government should apportion funds within that allocation directly to each eligible institution.
2. To expand educational opportunities for adults and to broaden their participation in society, a provision should be added to the Supplemental Grant program to require institutions to "make rigorous efforts" to identify and aid qualified persons of any age who are of exceptional financial need, and to encourage them to continue their education at the postsecondary level.
3. The Regents also recommend that institutions be authorized to make Supplemental Grants to students who are studying less than half-time.

State Student Incentive Grant Program
Subpart 3, Part A

Like SEOG, the goals of the State Student Incentive Grant program (SSIG) are to ensure equalized educational opportunity through choice and to encourage postsecondary diversity. SSIG is a highly successful Federal program which encourages states to develop or expand assistance to "substantially needy" students attending eligible postsecondary institutions. SSIG assistance is provided on a 50-50 state/Federal cost-sharing basis to stimulate states to commit resources to postsecondary student aid.

The Federal initiative through SSIG has had a significant impact on the growth of state efforts, particularly where states had minimal programs or none at all. Before SSIG was authorized in FY 1972, 23 states had grant programs. In FY 1979, all states and territories are participating in the SSIG program. Including state overmatch, state programs will appropriate approximately $810 million in student assistance. These state grants will assist over 1 million students, many of whom are from middle-income families. Individual student grants are limited to $1,500 ($750 Federal share) per academic year. In New York State, SSIG funds provide partial support for the Tuition Assistance Program.

Many positive features of the program are related to its success. For example, states have flexibility to administer the program under broad Federal parameters. Legislation provides that the states use the funds for students on the basis of financial need. In doing so, states may comply with state policy within Federal criteria. States are responsible for awarding grants, subject to review of selection criteria by the U.S. Commissioner of Education. Efficient program administration is provided because Federal and state funds can be handled jointly. Moreover, aid is distributed equitably among the states on the basis of student enrollment. Because of SSIG's flexibility and past success, increased funding for the program should generate additional state matching money.

Despite these improvements in the program, the ceiling on individual grants has not been raised since SSIG was first authorized in 1972. The impact of inflation on postsecondary education costs has been substantial in this six-year period (See Table A). Percentage increases in costs of postsecondary attendance for both resident and commuting students in all postsecondary sectors ranged from 48 percent to 87 percent in the period from academic 1972–73 to academic 1978–79. Greatest increases were for attendance costs to such students attending private two-year postsecondary institutions. The mean percentage increase in these costs to both types of students in all sectors was 65 percent during this period. Given these effects of inflation on costs of postsecondary attendance, it appears incongruous in FY 1979 that the SSIG ceiling amount will be lower than the maximum Basic Grant. Without adjustments to reflect nationwide economic trends, the goals of the SSIG program cannot be met.

457

TABLE A

ILLUSTRATION OF EFFECT OF INFLATION ON COSTS OF POSTSECONDARY ATTENDANCE* FOR RESIDENT AND COMMUTING STUDENTS IN ALL SECTORS ACADEMIC YEARS 1972–73 to 1978–79

Postsecondary Sector		1972–73	1978–79	Percentage Increase
Public	Resident:	Unavailable due to insufficient sample	$3,089	—
Two-Year	Commuter:	$1,637	2,426	48%
Private		$2,539	4,601	81%
Two-Year		2,088	3,922	87%
Public		$1,984	3,273	65%
Four-Year		1,758	2,604	48%
Private		$3,279	5,298	62%
Four-Year		2,743	4,577	67%
			Average	65%

* Includes room, board, tuition, fees, books and supplies as well as necessary personal expenses (transportation, laundry, incidentals, etc.). In the case of commuting students, imputed rent and board were used in the computation.

Source: *Student Expenses at Postsecondary Institutions: 1973–74*, College Scholarship Service of the College Board, New York, 1973; *Student Expenses at Postsecondary Institutions: 1978–79*, College Scholarship Service of the College Board, New York, 1978.

Recommendation:

In order to reflect the effect of inflation on postsecondary education costs over the last six years, the Regents recommend that the ceiling on individual student SSIG grants be raised to $1,800.

The College Work Study Program—Part C

The College Work Study program (CWS) originated in 1964 as part of the poverty program's Economic Opportunity Act. The U.S. Commissioner of Education received formal authority for the program in 1965 and CWS was reconstituted as part of the Higher Education Act's Title IV in 1968. The 1972 Education Amendments deleted the original low-income eligibility requirement from the program. Replacing that low-income requirement was preferred assistance for students in "greatest financial need" as determined by the institution. Also included was an avowed intent to increase eligibility for middle-income students, particularly those enrolled in high-cost postsecondary programs.

The College Work Study program is an 80 percent Federal and 20 percent institutional cost-sharing program of institutional support. CWS provides part-time and vacation period employment for students. Students eligible for this self-help program "work their way" through postsecondary education with Federal and institutional assistance. Postsecondary institutions make work assignments available to their students. These jobs include, where possible, educationally significant work. All earnings from this employment must be applied toward the students' cost of attendance to supplement available aid from the Basic Grant program and other sources. Distribution of aid is similar to that for the Supplemental Educational Opportunity Grant program. Wages are paid to students by the institution (or by participating off-campus employers) based on current hourly rates. The institution or agency contributes 20 percent of the wages paid, and arrangements are made for withholding of income taxes. Institutions must maintain their previous overall level of student assistance in order to participate.

CWS has advantages both for students and institutions. Students needing assistance are spared the difficulty of a job search and are provided with work schedules which accommodate their academic schedules. Through CWS, they are able to contribute to their own academic support, often through work assignments related to their career goals. Work Study also is a form of institutional aid. Postsecondary institutions receive substantial amounts of needed work performed at a fraction of its market value.

Demand for this program has grown significantly. This is especially true since the 1972 Education Amendments expanded both institutional and student eligibility. The newly eligible students included those attending at least half-time. The 1972 legislation also redefined the test of need to include more middle-income students. With college costs at some campuses approximating $7,000 annually, CWS has assisted a large number of middle-income students in recent years. In 1976–77, about 28 percent of CWS funds went to students whose family income exceeded $12,000.

Although the FY 1979 appropriation of $550 million for College Work Study represents a $115 million increase over the FY 1978 amount, the Regents urge further expansion of this highly successful self-help program. Costs of attendance at a four-year public and independent institution in academic 1978–79 are $3,273 and $5,298, respectively. The Regents stress the importance of providing Federal assistance which allows students, particularly middle-class students with entry level skills, to support their postsecondary academic experience through useful work of benefit to postsecondary institutions. In order effectively to target funds to eligible students and to accommodate interstate cost variations, the Regents recommend that CWS funds be distributed to institutions on the same formula as recommended for Supplemental Grants.

Recommendation:

The Regents recommend that the College Work Study program be expanded and that the same procedure used for distribution to institutions of Supplemental Grant funds be used to distribute College Work Study funds.

Student Loan Programs—GSLP and NDSL

Two major Federal student loan programs are authorized by the Higher Education Act. These are the Guaranteed Student Loan Program (GSLP) and the National Direct Student Loan (NDSL) program.

Guaranteed Student Loan Program—Part B

Created by the Higher Education Act of 1965, the Guaranteed Student Loan Program is the larger student loan program. GSLP refers to both state and private nonprofit guaranteed programs and to the Federal Insured Student Loan program (FISL).

Through the GSLP, capital is provided by participating lending institutions such as banks, credit unions, and insurance companies.

For students who qualify, interest under GSLP is paid by the Federal government during in-school, grace and specified deferment periods. Federal loan funds are available to pay reinsurance claims on student loans insured under Federal criteria and guaranteed by a state agency against death, disability and default.

GSLP provides more assistance to middle-income families than any other program. During 1976–77, 23.8 percent of borrowers were from families with incomes of $15,000 or more. The Education Amendments of 1976 increased the loan interest subsidy ceiling from a family-adjusted gross income of $15,000 to $25,000. The 1978 Middle Income Student Assistance Act completely removed the concept of an income ceiling for the interest subsidy.

The Education Amendments of 1976 also made significant changes in the administration of the Guaranteed Student Loan Program. These changes were designed both to enhance its attractiveness to students and to lenders. Stronger controls were provided to limit defaults and minimize abuse. For example, three levels of loan reinsurance for state guarantee agencies were authorized. States may qualify for higher reinsurance levels if they meet specific Federal criteria through supplemental guarantee agreements. One of the requirements for such an agreement is the insurance of loans made by eligible postsecondary institutions. Further, as the Regents recommended in 1976, the Education Amendments of 1976 prohibited the discharge of Guaranteed Loans through bankruptcy for five years following the commencement of a repayment obligation.

National Direct Student Loan Program—Part E

The National Defense Education Act of 1958 created the National Defense Student Loan program (NDSL). NDSL was transferred to Title IV, Part E, of the Higher Education Act and renamed the National Direct Student Loan program in 1972. Under NDSL, the Federal government contributes 90 percent of the principal for a revolving loan fund at each participating institution. Institutional funds comprise the remaining 10 percent. About 40 percent of all funds currently being loaned are drawn from collections. Student need for such a loan is determined by campus financial aid officers. Needs-analysis measures approved by the U.S. Commissioner of Education are used to make such determinations. These measures are similar to those used in other "college-based" programs (Supplemental Educational Opportunity Grant and College Work Study programs). Loans, in an aggregate amount not to exceed $10,000, are made available on a low-interest, incremental repayment basis. Repayment of principal is deferred until the completion of the student's course of study. Deferrals also are allowed during certain forms of public service employment. Principal may be forgiven up to 100 percent of the amount borrowed if the student elects to enter certain specialized fields of teaching for specified periods of time.

Since its inception, NDSL has undergone a number of changes. Originally, it was designed to encourage students to enter teaching. As educational circumstances changed, so did NDSL. Currently, the program offers special encouragement through loan cancellation only to those teaching in economically deprived areas or to those teaching the handicapped. Concern for the student with financial need always has been a hallmark of the program, but the definition of need has changed over time. In the late 1960's, NDSL funds were targeted to low-income families. Later, Congress directed that aid funds be made available to any student with "special financial need." In 1972, Congress affirmed that any student who needed a loan to pursue his or her course of study would be eligible for a NDSL. NDSL has evolved over the years to become a general purpose loan program serving a student population similar to that served by the larger GSLP.

Unfortunately, abuse controls similar to those established for GSLP in 1976 do not exist for NDSL. High default rates occur in that program. National reviews conducted in 1977 revealed significant levels of improper administration and abuse. It is imperative that loans as a significant form of student aid not be imperiled by abuse and poor administration.

Consolidation

Both GSLP and NDSL provide, or have evolved to provide, general purpose assistance to similar populations. There are, however, some differences in these programs including some criteria for student eligibility, provisions for loan cancellation, and interest rates. These differences may result in unequal treatment for students in similar economic circumstances depending on the loan program available to them. The patchwork of complex student credit programs causes confusion for students who ultimately must repay the loans. The current system of multiple Federal loan programs serving similar populations also contributes to ineffective administration.

In order to eliminate confusion, inequities, and ineffective administration, the Regents recommend consolidation of the Guaranteed Student Loan Program and the campus-based National Direct Student Loan program as outlined below. The recommended consolidation system provides simplification for students. Past loans may be consolidated and interest rates equalized. The system assures that those most in need will receive loan assistance, while it permits the program to accommodate adult learners unable to commit large shares of their time to postsecondary education. This consolidation system also allows for expansion of loan funds by making the full marketed value of notes available to institutions. Institutional capital now tied up in the NDSL fund would be freed under the plan since the Federal share of that fund would operate as a one-time restricted grant to the institution. The postsecondary institution then would determine whether to use such funds in its loan program or that of a financial institution or state loan agency. More effective administration would be achieved through consolidation by retaining the GSLP administrative powers for state loan agencies, financial institutions, and postsecondary institutions and by restricting the marketing of notes to the amount needed for new loans for the current academic year.

Current relationships between demand for teachers and the supply of new teachers indicate no need for the current NDSL cancellation provisions in consolidating these programs. If cancellation of loans for specified kinds of employment is deemed by Congress to be in the national interest, the present NDSL provisions relating to teaching should be replaced by provisions for cancellation for service in programs such as the Peace Corps or VISTA.

There are a number of other categorical student loan programs which are authorized by Federal law. An example is the Health Education Assistance Loan program authorized by the Health Professions Educational Assistance Act. If NDSL and GSLP are consolidated in a new guaranteed loan program, other categorical higher education student loan programs ultimately should be included in that program.

Recommendation:

The Regents recommend that the Guaranteed Student Loan Program and the National Direct Student Loan program be consolidated into a new Federal guaranteed loan program. The new guaranteed loan program would be based on the following principles:

A. Students requiring loans of necessity (including those studying less than half-time) should have subsidized and guaranteed loans available to supplement grant funds. Such students, however, should be able to rely on grants to the maximum extent possible during their first two years of study.

B. State loan agencies, financial institutions, and postsecondary institutions should each have a substantial role in the administration of the program and be provided with the means to recover their appropriate costs of administration.

C. Funds available for student loans should be expanded.

The proposed guaranteed loan program would have the following features:

1) National Direct Student Loan notes will be marketable through an agency similar to the Student Loan Marketing Association and the full marketed value will be available to the institution marketing the note. The postsecondary institution will determine whether such funds will be used in its own loan program or in that of a financial institution or the state loan agency.

2) An institution would be authorized to market NDSL and other notes only to an amount needed to make new loans for the current academic year.

3) If an institution were unable to receive sufficient capital by marketing NDSL or other notes to make new loans at the level needed, Federal appropriations would make up the short-fall. This probably would not require Federal contributions greater than the present NDSL level of $310.5 million, and possibly significantly less.

4) The market value of notes held by an institution that closes would be made available to the state loan agency of the state in which it is located.

5) Existing loan cancellation provisions of the National Direct Student Loan program for students who enter teaching would be eliminated and cancellation would be authorized only for death or disability as currently provided under the Guaranteed Student Loan Program.

6) Borrowers would be permitted to consolidate current NDSL and Guaranteed Loan notes despite the programs different interest rates. This would be accomplished by replacing NDSL notes with notes under the new guaranteed loan program. To equalize interest rates, the U.S. Commissioner of Education would require that a borrower pay only a portion of a Direct Loan in converting it to a new guaranteed loan program. The balance of the Direct Loan would be cancelled.

Administrative Costs Allowances

Sections 411(d), 428(e), and 493

Payment of administrative allowances to institutions are authorized by three sections of Title IV. Section 411(d) refers to payments made to institutions under the Basic Educational Opportunity Grant program. Section 428(e) refers to payments made under the Guaranteed Student Loan Program. Section 493 refers to payments made to an institution participating in the Supplemental Educational Opportunity Grant, College Work Study, or National Direct Student Loan programs.

During 1977, national reviews of the administration of student financial aid provided under Title IV revealed significant levels of improper use of funds, and in some cases, allegations of fraud. A major problem identified in these reviews is inadequate student financial aid/accounting systems and procedures at postsecondary institutions. Inadequacy of institutional procedures and controls has made possible—and even encouraged—abuse and fraud.

It is essential that Federal student aid funds be used to support those students who need the aid which these programs provide and who are eligible for it under statute and regulation. Misuse of funds not only leads to unnecessarily high expenditures of taxpayers' funds, but also deprives those who should receive aid of their proper assistance. The Regents are convinced that mechanisms must be established to assure that postsecondary institutional systems and procedures promote the proper use of student aid and discourage abuse.

A basis for such mechanisms currently exists in the administrative cost allowances authorized to be paid to institutions by sections 411(d), 428(e), and 493. There also is a precedent that may be used to guide the development of such mechanisms. The 1976 Education Amendments changed the provisions of Federal reinsurance of Guaranteed Student Loans guaranteed by a state guaranteed agency. This amendment established 80 percent reinsurance as a floor, and set standards under which an agency qualified for 90 percent of 100 percent reinsurance.

Recommendation:

The Regents recommend that a concept now used with the reinsurance of loans be applied to payment of administrative cost allowances to institutions under sections 411(d), 428(e), and 493. The allowance level should be set as a reinsurance floor. Provisions should be made for two or more higher levels of allowance for institutions installing and operating student aid and accounting systems and procedures that meet Federal standards to promote the proper use of such aid and to discourage abuse. The establishment of such a system of allowances will help ensure accountability for the proper use of student institutional operations will be minimized.

Educational Information Centers
Subpart 5 of Part A

Subpart 5 of Part A of Title IV authorizes Educational Information Centers to be conducted by states under an approved state plan. The Centers provide "information, guidance, counseling, and referral services for all persons" in order to identify postsecondary and training opportunities. This service includes the identification of financial aid, competency-based learning, and remedial opportunities. For FY 1979, $3 million has been appropriated.

Recommendation:

The Regents recommend that Subpart 5 be continued and that the state plan for Educational Information Centers be coordinated with that for Talent Search and Educational Opportunity Centers, Community Services and Continuing Education, and other similar programs, and administered through state 1202 commission.

Education and the World of Work

Several programs of the Higher Educational Act are designed to bring together education and the world of work, including the College Work Study program (Part C of Title IV) and the Cooperative Education Program (Title VIII). In addition, in Subpart 3 of Part A of Title I, the Vocational Education Act authorizes support for programs of vocational guidance and counseling.

The Regents believe that programs to acquaint postsecondary students with the world of work cannot be fully effective unless a specific mechanism is put in place to coordinate the efforts authorized. We urge that such a mechanism in the form of umbrella programs be provided in statute to improve the effectiveness of such efforts.

Recommendation:

The Regents recommend amendment of the Higher Education Act to authorize postsecondary institutions to create umbrella programs. These programs would coordinate activities under the College Work Study and Cooperative Education programs and under the Vocational Guidance and Counseling provisions of the Vocational Education Act. Under this authorization, an institution or a consortium of institutions would sign an agreement with the U.S. Commissioner of Education to establish a coordinating office. That office, in conjunction with the institution's faculty and students and with perspective employers, would be responsible for the coordinated planning and utilization of funds under the three programs. Institutions would receive an administrative allowance for partial funding of such offices.

Complementary Assistance for Postsecondary Students

Overview

During the past 20 years, the cost of postsecondary education has spiraled upward. Recognition of this trend has led to state and Federal programs which help to defray education costs for low-income students. As economic conditions have changed, middle-income families have lost larger shares of their spendable income to inflation. These families also carry a heavy tax burden to provide public services. Parents in the middle-income bracket now face great difficulties in financing postsecondary education, particularly if more than one child is attending a postsecondary institution. At present, students from middle-income families receive few, if any, benefits from entitlement programs such as BEOG and New York State's Tuition Assistance Program which they help to finance.

Tax Deferment

Middle-income parents may be assisted in providing postsecondary education for their children through a system of tax deferment. New York State has displayed initiative in this area. The State tax law has been changed to authorize Parents and Students Savings (PASS) plan accounts. Under this plan, taxpayers may establish a tax-sheltered account to pay for their dependents' future postsecondary education, contribute to it up to $750 per year, and exclude the yearly contribution from their gross income, for State tax purposes. Disbursements from the fund are taxed as part of the income of the recipient student at the time he or she attends college.

Recommendation:

Since the PASS plan has been established under state tax law, it is essential that it be incorporated in the Federal personal income tax law. The Regents recommend that the PASS plan be authorized in Federal legislation at a contribution level indexed to the amount of the Federal income tax exemption so that it can be truly workable. The Regents have urged Congress to include PASS as part of its tax relief legislation.

Tuition Tax Credit

Interest has been growing in providing tax relief in the form of tax credits for middle-income parents with children enrolled in postsecondary education. During the 95th Congress, a compromise Tuition Tax Credit Act of 1978 was reported out by a House-Senate Conference Committee but subsequently rejected by the House. That bill allowed a tax credit equal to 35 percent of tuition paid up to a ceiling of $100 in 1978, $150 in 1979, $250 in 1980 and 1981. "Tuition paid" was defined as tuition actually paid, net of any aid not includable in gross income. Such credit was not to exceed the total tax due. Tuition tax credit under this proposal was available for full-time undergraduate study in 1978 and 1979, and for full- or half-time undergraduate study in subsequent years. Persons eligible for tuition tax credit included relatives or nonrelatives paying undergraduate tuition or self-supporting students with such tuition expenses. If two persons contributed to the undergraduate tuition payments of a student, the credit was prorated. No credit was allowed for graduate study. Credit for undergraduate study terminated in 1981.

Despite the number of tuition tax relief proposals made, the 95th Congress was unable to reach agreement on a compromise measure. However, enactment of a tax reform package underscored tax relief as a major national priority. The Regents urge the 96th Congress to pass an amendment which would include the cost of postsecondary education services as a part of tax relief. The benefits from tax relief for postsecondary education costs will accrue both to families and to institutions of higher education.

Several variations of tax relief have been advanced. The most prominent are tax deductions, tax credits, tax deferments, amortized tax credits, and tax credit/deduction options.

A tax deduction, which lowers the amount of taxable income, would provide some relief for middle-income taxpayers. No recent bills incorporating a tax deduction have generated widespread support.

A tax credit, on the other hand, is a credit against tax liability. After an individual's taxes are calculated, tax credits are subtracted from the amount owed. Credits can be targeted on middle-income groups by graduating the amount of credit at the higher income levels. Tax credit plans are simple and involve almost no administrative costs. The major disadvantage of a tax credit is that it offers nothing to low-income families with little or no tax liability. However, these students already have access to many forms of aid.

Amortized tax credits are not considered seriously because the administrative costs would be high for relatively little benefit. Like the tax deduction, the tax credit or deduction option, one of which a taxpayer could choose, has not generated widespread support in recent years. The tax deferment concept has been endorsed by the Regents in the form of the New York State Parents and Students Savings Plan and would be a suitable supplement to a tuition tax credit.

The tax credit has great potential for meeting the needs of parents and institutions. It would serve these goals:

1. Assisting middle-income families to finance the education of their children;
2. Aiding postsecondary institutions to recruit students from middle-income families; and
3. Promoting economic stability.

These goals are interrelated. Most middle-income families hope to educate their children, but the costs are increasingly high at both public and independent institutions. The burden is greater than ever because rising educational costs are coinciding with a period of "sibling overlap" in which children tend to be closer in age and many families have more than one child in college at the same time. A tax credit would help alleviate this burden. For example, in the 1978 the estimated median family income in New York State was about $18,000. A child whose family's gross income is $18,000 would be eligible for a Tuition Assistance Program (TAP) grant from New York State of $1,100 against a tuition bill of $3,500 at an independent institution. Parents would need to provide $2,400 for tuition, plus support of the other expenses of attendance. At a public institution the student would get $200 from TAP, leaving a tuition bill of $550 plus support of the other expenses of attendance. Median income families have difficulty affording the tuition at both public and independent institutions without further assistance. A student from a family with an income of $18,000 would be eligible for a BEOG award of no more than about $700 against cost of attendance.

The tuition differential between independent and public institutions now approaches about five to one. Nationwide, this has resulted in fewer choices for most students. If independent institutions are forced to close, the cost to the public will be great because of the large taxpayer subsidy of the education of students at public institutions.

A higher education tuition tax credit would also assist in promoting economic stability in several ways. It would help protect and in some instances create jobs within postsecondary education, a significant factor in New York State where there are over 75,000 faculty members and where two percent of the work force is employed by postsecondary institutions. More important, it would give students, spouses, and displaced workers the opportunity to prepare or retrain for employment.

To have any real impact, a higher education tuition tax credit would have to be close to $500, the sum previously proposed in the 95th Congress. To target this credit on middle-income families, the amount of credit would be reduced by 5.6 percent of income in excess of $31,000 adjusted gross income. Thus, the credit would decrease to zero at an adjusted gross income of $40,000.

Recommendation:

The Regents urge the 96th Congress to enact a tuition tax credit for postsecondary education (See Table B). A $500 maximum tuition tax credit should be structured in the following manner: 20 percent credit on the first $1,000 of tuition expenses and 100 percent of all tuition expenses over $1,000 up to an additional $300, for a total credit of $500. The $500 maximum should be reconsidered after three years to reflect inflation.

The percentages are calculated not only to aid middle-income families, but also to support families sending students to independent institutions. Nationwide, undergraduate tuition at public institutions is $587 for in-state residents; at independent institutions it is about $2,500. Under this tax credit plan, a family with New York's estimated median income of $18,000 and one student at such a public institution, would get a $117 credit, while such a family with a student at an independent institution would get a $500 credit. In New York, where lower-division tuition at the State University of New York is $750, a full-time student from such a family would receive $200 from the Tuition Assistance Program, but probably no Basic Educational Opportunity Grant; the tax credit would provide an additional $150. At an independent institution in New York with a tuition of $3,500, such a full-time student would get a TAP award of $1,100, and a Basic Educational Opportunity Grant of about $700. The tax credit would provide an additional $500.

This credit would be for tuition expenses net of grants for tuition. Expenses such as fees, books, transportation, meals, and lodging are excluded.

The tax credit approach advanced here would not be limited to colleges and universities, but would also apply to business, trade, technical, and vocational institutions duly chartered or certified within their respective states. It would be applicable to both full-time and part-time attendance. Multiple credits would be allowed based on the number of persons from a family attending postsecond-

TABLE B

Proposal	Provisions	Cost	Advantages	Disadvantages
Tuition Tax Credit Act of 1978	Credit 35% of tuition paid (net any aid not includable in gross income). Credit ceiling of $100 in '78, $150 in '79, $250 in '80 and '81 but not more than total tax due. Credit available for full-time undergraduate study in '78 and '79, and for full- or half-time study in subsequent years.	FY 79—$394M* FY 80—$516M FY 80—$966M FY 82—$828M	Cost Full- and half-time	No income ceiling. 35% share of paid tuition helps those attending public institutions more than those attending private institutions. Low credit ceiling precludes meaningful assistance in inflationary economy. No credits beyond 1981. No credits for graduate study.
Regents	Credit of up to $500 for tuition only for full- and part-time individuals or dependents. Percentage of tuition formula: 20% of first $1,000, 100% thereafter up to an additional $300. Income ceiling; reduced after $31,000 adjusted gross income to zero at $40,000.	FY 78—$2B	Percentage formula aids independent institutions. Income ceiling so does not subsidize wealthy. Full- and part-time.	Cost

*Estimates from Congressional Budget Office.

ary institutions. Additionally, the tax credit would accrue to anyone paying for a dependent's education whether a relative or not. The tax credit could not be claimed both by a self-supporting student and by that student's parents, however. If more than one taxpayer shared costs, each could claim a prorated amount of the tax credit.

Staff Development—Title V

Title V of the Higher Education Act includes three sections which authorize staff development programs: 1) Section 531, continuing the National Teacher Corps; 2) Section 532, establishing the Teacher Centers Program; and 3) Section 533, authorizing grants for certain higher education members. For fiscal 1978 and fiscal 1979 the National Teacher Corps has been allocated $37.5 million; the National Teacher Corps has been allocated $37.5 million; the Teacher Centers Programs was allocated $8.25 million in FY 1978, and $12.6 million for FY 1979; no appropriation was provided for grants for collegiate faculty.

Sections 531 and 532 address the recognized need for continued education of the staff of the public schools. New and improved teaching methods and materials; modification in curriculum and school organization; and the rapid changes brought about by economic, technological, cultural, and social forces are just some of the factors that present a continuing challenge to maintaining the currency of school personnel.

Because of limited market for teacher services has stabilized school staffs, schools can no longer rely on an infusion of new ideas from recently prepared teachers. In the five years between 1971–72 and 1976–77, the number of New York public school teachers under 25 years old dropped by 12.2 percent. Yet 56.3 percent of all teachers in 1976–77 were forty years old or less. From 1971–72 to 1976–77, the proportion of public school teachers with permanent teaching certificates rose from 54 percent to 84.6 percent in New York State. A consequence of these trends is that, over the next ten years, the majority of the public school teaching force in the State will be individuals who are currently in the classroom and who are no longer required to pursue additional study for certification. Local districts suffering under financial constraints increasingly are unable to provide financial reimbursement for staff who continue their educations.

Title V encompasses only a fraction of the Federal support addressed to staff development. Support for staff development also is included in such legislation as Title I of the Elementary and Secondary Education Act, Metric Education, Consumer Education, and Vocational Education. While the Federal initiative and support for staff development is significant, it is also scattered and uncoordinated. Funds are appropriated on a categorical basis and have varying time schedules for making application, obtaining approval, and expending the funds. In New York State, the Education Department is attempting to identify efficient and effective ways to organize staff development. To do so would provide an opportunity to better address Federal, State, and local objectives. Federal programs should be planned and implemented in a way that takes into consideration their impact on state policies.

The Regents are aware of the constraints placed on the use of Federal staff development funds by the categorical nature of the funds and by the restrictions on the commingling of funds. However, neither constraint need adversely affect a more orderly approach to the more systematic and comprehensive provision of staff development programs derived from the needs of pupils in the schools.

The enactment of a National Staff Development Act would serve the national interest by coordinating the use of Federal funds and maintaining the purpose for which the funds are appropriated. The recommended legislation would support present planning efforts of many states and stimulate others to provide adequate plans for the use of such funds and to be held accountable for achieving the proposed results.

Recommendation:

The Regents recommend enactment of a National Staff Development Act which would:

1. Establish Federal policy on the need for staff development to meet Federal priorities.
2. Create a National Staff Development Fund to marshal all Federal funds appropriated to staff development through categorical programs, formula awards, and other sources. The fund would coordinate the awarding of Federal staff development funds through designated state agencies upon presentation by the states of comprehensive plans to insure that staff development programs are consistent with Federal and state priorities derived from pupil needs.

Financial Assistance for the Purchase of Instructional Equipment for the Improvement of Undergraduate Instruction—Title VI-A

The Higher Education Act's VI-A authorizes matching grants for the purchase of instructional equipment to improve undergraduate instruction in public and independent higher education institutions. Purchases may fall into two categories. Category I is for the purchase of laboratory and other special equipment and materials; Category II is for the purchase of television equipment and materials for closed-circuit direct instruction.

The program is intended to help meet the increasing financial needs of postsecondary institutions for the purchase of equipment to improve undergraduate instruction in both new and existing programs. Funds appropriated by Congress are allotted by formula to the states and territories and subsequently distributed to their respective colleges and universities in accordance with application ranking procedures set forth in each state plan and administered by a state commission.

Since 1966, Title VI-A has assisted New York postsecondary institutions with the acquisition of instructional equipment costing $22.5 million. Federal grants represent one-half of this amount. Our institutions' willingness to match Federal monies is evident in the fact that the total grant requests each year always have been more than twice the amount of the State allotment. Each year total grant requests have exceeded $1.5 million.

Continued funding for Title VI-A is essential to enable institutions to purchase the instruction equipment they need to keep pace with rapidly changing instructional technologies and obsolescence of existing equipment. These needs often cannot be met fully from current operating budgets. For the past four years funding has been at the $7.5 million level, or one-half of what it was at the start of the program in 1966. Taking inflation into account, the 1978 appropriation was able to fund only about 20 percent as much equipment as the 1966 appropriation did.

Recommendations:

1. The Education Amendments of 1976 (PL 94–482) reauthorized Title VI-A through FY 1979 at existing authorization levels of $60 million per year for laboratory and special equipment and $10 million per year for television equipment and instructional materials. Legislation should reauthorize this program beyond 1979.

2. The Regents recommend for Title VI-A an appropriation of at least $15 million. This level is essential to keep the program viable. Increases to adjust for inflation should be made periodically.

Construction, Renovation and Modernization of Academic Facilities—Title VII

The Education Amendments of 1976 extended Title VII through FY 1979 at the existing authorization level: $300 million for each fiscal year for grants for undergraduate facilities under Part A; $89 million for grants for graduate facilities under Part B; and $200 million for loans under Part C. The purposes of the Title were altered to include renovation and modernization along with construction. Authorization is given for use of Title VII funds for reconstruction and renovation projects if the primary purpose of the project is to economize in the use of energy or to conform to the requirements of the Architectural Barriers Act of 1968. Title VII funds also may be used to enable institutions to meet the costs and requirements of environmental protection, safety, and health programs mandated by Federal, state, or local law.

Approximately $5.75 billion has been invested in higher education facilities in New York State. It would cost almost twice that amount to replace these facilities today. Federal grant and loan programs have made a substantial contribution to this investment between 1965 and 1973. In spite of this impressive sum and projected declining enrollments, the postsecondary institutions in our State still have capital needs for academic space. For example, the senior colleges of The City University of New York need $250 million in new construction to alleviate serious overcrowding of existing space. All postsecondary institutions, public and independent, require an estimated $852 million for compliance with the requirements of Section 504 of the Rehabilitation Act, renovation, rehabilitation, and modernization of existing space. If deferral of maintenance is extended too long, the cost of rehabilitating facilities will become prohibitive. It may exceed their value.

With the exception of Part A, for which no funds have been appropriated since 1973, no part of this Title has been funded since 1968.

Construction of Academic Facilities—Title VII, Part A

Part A of this Title (formerly Title I of Higher Education Facilities Act of 1963) authorizes grants of up to 40 percent of the eligible cost of construction and renovation of undergraduate academic facilities and student health care facilities for higher education institutions.

This program is administered at the state level. Yearly allotments are made to the states and territories by formula. Applications are recommended for grants in accordance with provisions contained in the state plan for Title VII-A. As the New York State Postsecondary Education Commission, the Regents administer this program in New York.

Between 1965 and 1974 grants totaling $148 million were awarded to 105 public and independent institutions. Thirty-two million dollars was reserved for Public Community Colleges and Technical Institutes while the remaining $115 million went to all other institutions. The total facilities development cost for these projects is estimated as $863 million; the Federal grants provided about 17 percent of this total. Fifty-three percent of the projects funded were science and library buildings.

Fifty-three percent of the Public Community College grant funds went to institutions enrolling less than 3,000 full-time equivalent students; the remaining 47 percent went to larger institutions. Fifty-one percent of the total grant funds for all other institutions went to those enrolling less than 4,000 full-time equivalent students. The remaining 49 percent went to larger institutions.

Forty-three percent of the total grant funds went to institutions in the Metropolitan New York and Long Island regions, where population pressures for increasing enrollments predominated. The remaining 57 percent was distributed generally throughout the State.

Fifty-two percent of the total grant funds went to independent institutions; 48 percent went to public institutions.

Grants for Construction of Graduate Academic Facilities—Title VII, Part B

Part B of this Title (formerly Title II of the Higher Education Facilities Act of 1963) authorizes grants to institutions of higher education to assist them in improving existing graduate schools and cooperative graduate centers, and in establishing graduate schools and cooperative graduate centers of excellence. These schools and centers increase the supply of highly qualified personnel needed by communities, industries, and governments and for teaching and research. This program is administered directly by the U.S. Office of Education.

Between 1975 and 1969, New York institutions received 24 grants for graduate facilities totaling $24.5 million. The total development cost of these facilities was about $200 million. The program has not been funded since 1969.

Many academic facilities are designed for both undergraduate and graduate programs and would be eligible now for grants under both Part A and Part B. The needs of both undergraduate and graduate facilities for renovation, rehabilitation, and conversion to meet the requirements of Section 504 of the Rehabilitation Act or the Architectural Barriers Act are probably equal, and are great. Where new construction can be justified, there are great economies in the design and operation of multipurpose buildings.

Recommendations:

1. The Regents recommend that Parts A and B of Title VII be consolidated into a single program that authorizes the renovation, modernization, and construction of undergraduate and graduate academic facilities. That program should be authorized beyond 1979.
2. The Regents recommend that projects to replace, renovate, and rehabilitate existing facilities be given highest priority. New construction would be eligible for aid only to complete building programs planned by institutions no later than 1978 for current enrollment levels.

Loans for Construction of Academic Facilities—Title VII, Part C, Section 741

Part C, Section 741 of the Title (formerly Title III of the Higher Education Facilities Act of 1963) authorizes loans to institutions of higher education and to higher education building agencies for construction and renovation of academic facilities.

Between 1965 and 1968, New York institutions received 36 loans totaling nearly $58.6 million. No loans have been made since 1968. Twenty million dollars has been released from the loan insurance fund for FY 1978. Current loan interest is expected to be at the current rate for short-term U.S. Treasury borrowing.

Both public and independent institutions in recent years have found it difficult, if not impossible, to borrow funds from conventional sources. Even if these sources become available again interest rates are increasing and in most instances will exceed the rate charged for Federal funds.

Recommendations:

The Regents recommend that:

1. Legislation authorizing this program beyond 1979 be enacted.
2. Full funding be provided at the authorized level of $200 million for FY 1979 and beyond. It is difficult to estimate what New York State's share of this amount would be; however, 7 to 8 percent seems reasonable.

Annual Interest Grants for Construction of Academic Facilities—Title VII, Part C, Section 745

Part C, Section 745 of this Title (formerly Title III of the Higher Education Facilities Act of 1963) is intended to maximize the participation of private lenders in providing postsecondary institutions or building agencies with long-term financing needed to construct academic facilities. Section 745 also assists such institutions or building agencies in reducing the cost of borrowing from private sources by making Federal grants during the life of the loan. This grant assistance cannot exceed the difference between the average annual debt service required on a loan from a non-Federal source and the average annual debt service if the loan were obtained at 3 percent. Under this program, state allotments are not made, but no state may receive more than 12.5 percent of the available funds.

In a period of high interest rates, this program has been of great benefit to institutions in substantially reducing debt service for the construction and rehabilitation of academic facilities.

Recommendation:

The Regents strongly urge that appropriations of $620 million under this program be reinstated at the FY 1972 level.

Academic Facilities Loan Insurance—Title VII, Part C, Section 746

Part C, Section 746 of this Title authorizes the Commissioner to ensure the payment of interest and principal on loans for the construction of academic facilities. Such loans must be obtained by nonprofit independent institutions of higher education and nonprofit private higher education building agencies. This program would greatly assist nonprofit independent institutions of higher education in securing academic facility construction loans from private sources at most favorable terms and interest rates. It also would ease the burdens of debt service.

Recommendation:

The Regents recommend that this program be implemented.

Assistance in Major Disaster Areas—Title VII, Part D

Part D of this Title authorizes the Commissioner to carry out a program of assistance to public institutions of higher education when the

Office of Emergency Planning determines that an institution is within an area which has suffered a major disaster.

Nonprofit independent institutions are excluded from Part D benefits. Nevertheless, disasters in New York State caused by tropical storms in July 1972 and in October 1975 found several independent institutions suffering major damages and losses.

Recommendation:

The Regents recommend that nonprofit independent institutions of higher education be included.

Graduate Education—Title IX

Support of excellence in graduate education as a national resource should be given a very high priority because the nation's need for cultivation of the highest level of scholarship cannot be minimized. In addition to the support of research to graduate institutions, it is important that excellence be fostered in graduate education. Title IX is intended to pursue such excellence. Its provisions are consistent with New York's policies toward graduate education. While the Regents urge certain amendments to Title IX, its programs—especially Parts A and F—should be funded.

Part A of Title IX authorizes grants of up to 66 2/3 percent of the cost of programs to strengthen, improve, and, where necessary, expand the quality of graduate and professional programs leading to advanced degrees (other than medical degrees).

Recommendation:

1. The Regents recommend that Parts A, C, D, and F of Title IX be reauthorized and funded.
2. The authorization in Section 903 should be broadened to include the use of funds for "the development of proposed or existing graudate and professional programs of high quality and need, offered by single institutions or by consortia of institutions."
3. In the selection of institutions or individuals to receive aid, the state 1202 commission should have a mandated role to assure consistency between proposals for funding and state policy.
4. Part B should not be reauthorized in its present form. In its place, the Regents recommend that authorization and funding of a Federal/state partnership to support graduate programs. This partnership should take the form of a program to provide Federal cost-of-instruction grants to doctoral institutions in those states that establish state doctoral fellowship programs, based on merit, of up to $6,000 per year for tuition and maintenance, to no more

than 20 percent of the full-time doctoral students enrolled at institutions in the state. Such cost of education grants would be made to institutions on the basis of the number of such fellowship holders enrolled multiplied by $2,500, or the rate of the maintenance payment, whichever should be available only to institutions in states that established such merit-based doctoral fellowship programs.

State Postsecondary Education Commissions—Title XII

State Postsecondary Education Commissions ("1202 Commission") were established by Section 1202 of the Higher Education Act. The Commissions provide a comprehensive State-level planning board for postsecondary educational policy. Membership of the 1202 Commission is broadly and equitably representative of the State's citizens as well as of public and private nonprofit and proprietary postsecondary institutions in the State. The 1202 Commissions are empowered to establish committees and task forces and to utilize existing agencies and organizations in gathering expertise from institutions, interest groups and segments of society most concurrent with the Commissions ones.

These Commissions play a pivotal role in providing necessary coordination of State, Federal, and institutional programs in the State. This includes comprehensive planning necessary for improved coordination of resources and resource expansion to provide postsecondary educational opportunity for all who can benefit from such further education. New York State's 1202 Commission, the Board of Regents, has a significant record of success. At a time when more, rather than less, coordination among Federal, State, and institutional postsecondary programs is necessary, elimination of the 1202 Commission would be counterproductive. Instead, Federal incentives should be provided to build the coordination capacities of these Commissions in all states.

Recommendation:

The Regents recommend that the 1202 Commission be retained and that Federal incentives be provided to strengthen the Commission's coordinating capabilities for State, Federal, and institutional programs.

Accreditation and Institutional Eligibility

There is a growing need for a close Federal-state partnership in evaluating the quality of postsecondary institutions, the adequacy of institutional practices and procedures, and institutional eligibility for participation in various Federal programs. Such a partnership is essential to assure that all institutions participating in Federal programs meet Federal eligibility standards and operate programs in accordance with public policy.

To be eligible for Federal postsecondary assistance, institutions currently must be accredited by an accrediting agency recognized by the U.S. Commissioner of Education or must generate credit accepted for transfer by three or more accredited institutions. The Regents believe that an alternative accreditation process must be considered. That alternative should make available stronger assurances about institutional quality and integrity in determining eligibility and so that students in legitimate nontraditional programs can participate in Federal programs. It is significant that in New York where the Regents are a nationally recognized accrediting agency, *Bear's Guide to Non-Traditional Degrees* states that there are no "degree mills, 'diploma mills, and questionable institutions" in operation.

Recommendation:

The Regents recommend that the eligibility system described below be adopted as an alternative that would exist in parallel with the present accreditation requirements. Such a revision would give institutions an optional way of achieving eligibility and, therefore, reduce pressures for "mandatory" accreditation by voluntary agencies, and create a better determination mechanism than the present option of acceptance of transfer credits.

An appropriate state agency would be designated in each state as a federally recognized approving agency to approve (or accredit) postsecondary educational institutions (as defined in Section 435 of the Higher Education Act of 1965, as amended) and eligible vocational institutions, or the programs (courses of study or curricula) of such institution. Decisions of the agency would be relied upon by a Federal officer or agency in connection with participation in any program of Federal assistance to postsecondary or vocational educational institutions or their students, by way of grants, contracts, loans, or loan insurance or guarantee administered by any agency of the Federal government; and any program under which continuation of Federal payment is conditioned on attendance at a postsecondary or vocational institution.

Each state (as defined in Section 1201 of the Higher Education Act of 1965, as amended) would designate an existing state agency or commission to be the federally recognized approving agency for this purpose in the state. The agency to be designated would be either:

(a) a state-approving agency for the Veterans Administration; or

(b) a state agency determined by the U.S. Commissioner of Education to be a reliable authority as to the quality of public postsecondary vocational education, pursuant to Section 438 (b) of the Higher Education Act of 1965, as amended; or

(c) a state commission established or designated pursuant to Section 1202 of the Higher Education Act of 1965, as amended.

The U.S. Commissioner of Education would promulgate criteria for the recognition as a reliable authority as to the quality of the education or training offered and as to the integrity of the institution or program, of the agency or commission designated by each state.

The U.S. Commissioner of Education would recognize each designated state agency or commission which is a reliable authority with respect to quality and integrity in accordance with the criteria promulgated, and grant provisional recognition to each designated state agency or commission which the Commissioner believes is making substantial progress toward meeting such criteria. The Commissioner would annually publish in the Federal Register a list of those designated state agencies which are recognized as meeting the criteria and a list of those designated state agencies which are provisionally recognized.

At any time a designated state agency or commission is recognized by the U.S. Commissioner of Education as substantially meeting the criteria promulgated, a state may designate that agency or commission as the state-approving agency for the Veterans Administration.

The Federal Trade Commission would have no jurisdiction over any postsecondary educational or vocational institution which is approved (or accredited) (or whose programs, courses of study, or curricula are so approved or accredited) by a designated state agency or commission recognized by the U.S. Commissioner of Education as substantially meeting the criteria he promulgates.

The U.S. Commissioner would be authorized to make grants to any designated state agency or commission which is recognized or provisionally recognized to assist in carrying out its duties. Such grants would not exceed the appropriation made by the state for the support of such activities.

IV. HEALTH MANPOWER LEGISLATION

The Health Professions Educational Assistance Act of 1976

The Health Professions Educational Assistance Act (HPEAA) of 1976 represented a major policy departure for the Federal government and a broad set of opportunities and challenges for students and institutions in health-related fields. Many of the programs for which the Act provides carry initial authorizations which expire in 1980.

From World War II to the early 1970's, the focus of Federal health manpower policy was on increasing the numbers of practitioners. In addition to increasing places in professional schools for American students, there were policies to encourage the immigration of foreign-educated physicians. The thrust of HPEAA has to do with the *distribution* of health personnel rather than with increasing the number entering practice. The most intense debates and most difficult compromises prior to enactment had to do with issues of distribution and with public need. The declaration of policy set out at the beginning of the Act reveals these concerns by focusing on the Federal responsibility in assuring the availability and proper distribution of well-qualified health professionals, particularly in the field of primary care.

To give effect to these policies, Congress authorized major new or expanded programs of scholarship and loan assistance. These were of such potential magnitude that they altered traditional patterns of financing education for medicine, osteopathy, dentistry, veterinary medicine, nursing, optometry, podiatry, public health, and pharmacy. The Act established the National Health Service Corps, in which holders of scholarships are obliged to serve as commissioned officers of the U.S. Public Health Service. Through this program recipients of loans (or volunteers) are encouraged to serve on assignment in health manpower shortage areas. These areas include public or nonprofit private medical facilities, service to specific population groups, and urban and rural locations. Grants for the establishment of departments of family medicine; for traineeships and fellowships in primary care areas; for preparation of physician's assistants, nurse practitioners, dental auxiliaries, and others were also provided for by the Act.

The potential of HPEAA for major impact upon the financing of education for the health professions is suggested by factors such as the following:

National Health Service Corps Scholarship Program

Aid for tuition and other educational expenses is provided to eligible students of medicine, dentistry, and nursing, and (if needed by the National Health Service Corps) podiatry, optometry, pharmacy, veterinary medicine, public health, health administration and certain other health fields. These students are also eligible for a stipend which currently exceeds $400 a month. In FY 1979, funding is provided for 2,500 new scholarships in medicine and osteopathy, 400 in dentistry, 385 in several areas and levels of nursing, as well as 55 in public health nutrition, speech pathology and audiology, and medical social work.

Guaranteed Loans

Under the Health Education Assistance Loan (HEAL) program, students of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or public health may receive loans to a maximum of $10,000 per year (gross total $50,000). Students of pharmacy may receive loans up to $7,500 per year (gross total $37,500). Repayment must be made over a 10- to-15-year period, beginning nine months after completion of education (including internships or residency training).

Capitation and Other Payments to Institutions

Capitation payments are provided for medicine, osteopathy, and dentistry at $2,000 per student; veterinary medicine at $1,450; public health at $1,400; podiatry at $965; optometry at $765; and pharmacy at $695. These payments are made on the basis of the number of full-time students enrolled at the beginning of the fiscal year, with the requirement that the number enrolled be not less than the number enrolled in 1976. Start-up assistance to medical, osteopathic, and dental schools is available under the Act. Assistance to institutions undergoing serious financial stress is available to these schools and also to schools in most other health-related areas.

The potential of the legislation for making an early and significant impact on the distribution of physicians and other health professionals among fields of specialization as well as geographically is indicated by provisions such as the following:

Scholarship holders incur obligated services in the National Health Service Corps, as commissioned officers or civilian members, for a period of years equal to the years the scholarship is held. Failure to complete the period of obligated service entitles the United States to recover from the individual a sum equal to three times the total amount of money paid to or in behalf of the individual, plus interest, prorated according to the portion of time served. A further inducement is provided for individuals to remain in the shortage area after completion of obligated service, however, through a mechanism for paying $12,500 for one year and $25,000 for two years of continued service in the underserved area. In the initial years, many of the scholarships went to upperclassmen and women who now are ready to enter obligated service. The number of *new* scholarships available in fiscal 1978–79 in medicine (2,500) is about 15 percent of the approximately 16,000 physicians graduating each year in the nation—a significant proportion of the graduating class.

Capitation grants are conditioned both upon maintenance of enrollment of first-year students at the level of 1976 and upon the attainment by 1980 of a condition in which 50 percent of the filled first-year positions in direct or affiliated medical residency programs are in the primary care areas of general internal medicine, family medicine, or general pediatrics.

Authorization and available funding permits the Secretary of Health, Education and Welfare to underwrite the formation and development of new programs in family medicine and for preparation of physicians' assistants, dental auxiliaries, occupational and industrial health professionals. Similarly, authorization and funding is available for creating and underwriting new traineeships and fellowships in primary care and certain other fields.

The Act requires the Secretary to establish a program to collect, compile, and analyze data on health professions personnel, initially to include all physicians and dentists but to be expanded at the Secretary's discretion to include information pertaining comprehensively to other health professionals. "Such data shall include data respecting the training, licensure status . . ., place or places of practice, professional specialty, practice characteristics, place and date of birth, sex, and socioeconomic background of health professions personnel and such other demographic information regarding health professions personnel as the Secretary may require." Such information is to come from appropriate local, state, and Federal agencies and sources; it may be produced under contract with appropriate state agencies. When implemented, this program will significantly assist state-level as well as national assessment and planning.

In March 1976, the Regents issued their comments and recommendations on health manpower programs and issues than in the later stages of Congressional study and debate, prior to enactment of the Health Professions Educational Assistance Act. The legislation adopted reflects in major degree the spirit and even specific positions urged by the Regents. In some respects, HPEAA makes provision for programs in a direction urged by the Regents but extending even farther than the Regents proposed.

Yet, because of necessary start-up time and because of appropriation levels well below the levels authorized, the programs envisioned in the Act remain to become fully operative and effective. A significant illustration of this lag relates to the HEAL program of guaranteed loans for health professions students, final regulations for which had not been published in late August 1978. Despite the seeming generosity of provisions with respect to the borrowing that is authorized by this program, evident factors that make the usefulness and popularity of this program questionable include the facts that (1) there is no interest subsidy at any time after the loan is made; (2) there is no limitation on the interest rate chargeable, short of the 12 percent maximum provided by technical amendments adopted in 1978, and the interest cost likely to be incurred by students will undoubtedly exceed 10 percent and may be as much as 12 percent; and (3) even at 10- to 12-percent interest, there are only limited indications of readiness of banks to make these loans. Thus, in spite of the seeming attractiveness of the program its effectiveness remains to be seen.

Recommendation:

It seems essential that additional time be provided for the implementation and development of the many highly significant features of this far-reaching legislation. Extension for at least two years of all of the program authorizations of HPEAA is logical and, the Regents urge, in the public interest.

Nurse Training Act

The veto of the Nurse Training Act represents a serious loss to nursing students, to nursing education, and to patient care in the State. This Act was designed to maintain the supply of nurses, to improve geographic distribution of nursing staff/power, and to increase the numbers of nurses with advanced training. In FY 1977, this legislation provided $11.4 million of Federal support to New York State students and nursing programs. A large share of that support went to students. Many of these students will be unable to continue their professional training without Federal assistance.

New York State's major need for nurse training focuses on the present training levels of nursing professionals and on problems of staff-power distribution. The present training level of large numbers of nurses is inadequate in New York State's changing environment of patient care. This State is placing an increased emphasis on alternatives to high-cost institutional health care such as home care and community outreach programs. Home care can be provided by the family with the support of a visiting nurse. It may also be provided by an unlicensed person or home health aid under the supervision of a registered nurse. Many nurses in the State hold hospital diplomas or associate degrees which equip them for work in structured institutional environments. Insufficient numbers of our nurses have bachelor's degrees or higher degrees which equip them for community service. In New York State, visiting nurse associations and public health departments, which play a major role in providing alternative care, are required to hire nurses with bachelor's degrees in nursing. These nurses have social science, leadership, and change agent training necessary for work with families and communities. Moreover, nurses with advanced training are equipped for positions as nursing supervisors, clinical nurse specialists, and nursing administrators in large nursing service settings or schools of nursing. Only nurses with advanced degrees may become nurse practitioners, capable of performing some aspects of the physician's role by evaluating the complete state of a patient's health. Nursing research can be undertaken only by nurses with advanced degrees.

The Nurse Training Act provided funding for graduate nursing programs as well as student loans for advanced study. The Act granted capitation funds based on enrollment for the three types of programs which prepare students for admission to the registered nursing examination. Additional funding within the Act's special projects supported development of training programs for nurses' upward educational mobility and for nurses' continuing education necessary for high quality patient care. Eliminating Federal support for advanced nurse training limits the quality and quantity of home health care and community health care available in New York State. Those most directly affected will be disadvantaged families, senior citizens, and chronically disabled persons in urban and rural areas who rely on the visiting nurse or public health nurse to provide or monitor health care.

A second nurse training problem faced by New York State is distributional. Nurses are concentrated in some areas of the State while other areas suffer from nursing staff shortages. Nurses tend to remain in the areas in which they are educated. The Nurse Training Act improved the distribution of nursing staff-power by providing capitation grants to sustain enrollments in nursing programs across the State. Many of these two-year colleges and bachelor's degree programs counted heavily on capitation funds. Without Federal support, these programs may be too costly for institutions to retain. If nurse training programs are eliminated, numbers of nurses will become concentrated around a few training centers. Nursing staff-power in shortage areas will deteriorate.

A third consideration stemming from the veto of the Act is the elimination of special projects which served the disadvantaged. Under this program disadvantaged students with potential nursing skills were recruited, provided with extra services (such as tutoring and counseling), and given a stipend which sustained their professional training. Without Federal support, many disadvantaged students will be unable to continue their education. A door to equal educational opportunity in the field of nursing will be closed.

Unemployment rates for new nursing graduates are surprisingly low both nationally and in New York State. In both cases, the rates are less than the 3 percent often considered a "full employment" situation. Recent changes in the immigration law will reduce the influx of internationally educated nurses which has made a significant impact on nursing staff-power availability in our State in the past. Should a national health insurance plan be enacted, the need for nurses would increase dramatically. This is particularly true in New York State which must provide care for large concentrations of high need-populations.

Recommendation:

The Regents support early reconsideration of the Nurse Training Act as passed by the 95th Congress to provide uninterrupted, essential support to New York State's nursing students and nursing programs. Even without increases in funding over previous law, this modest support makes a significant contribution to sustaining opportunities for students, the quality of health care, and low-cost health care options in the State.

V. CHILD HEALTH ASSURANCE PROGRAM

Protecting the health of children helps to protect the educational investment in children. The Regents give high priority to child health programs through which barriers to learning are removed or reduced. Such programs must be readily accessible to all children and should focus on all aspects of child health—physical, developmental, social and mental.

Several efforts are underway in New York State to improve child health through better school health programs. A major related Federal effort, however, still lies outside the school. This is the Child Health Assurance Program (CHAP), Title XIX of the Social Security Act. CHAP ensures that children from birth to 21, who are eligible for Medicaid, receive periodic health appraisals, preventive maintenance, referral, tracking, and adequate treatment when they are ill. CHAP's program of preventive child health care authorizes Federal reimbursements to providers of such services. Schools are not eligible to become providers of CHAP services.

The wisdom of preventive health care and maintenance is gaining acceptance in the attempt to constrain health care costs. Investment in preventive care for children reduces long-range dental and hospitalization costs to families, as well as opportunity cost of absenteeism for children and schools. There is a growing recognition that schools can provide effective access to children for care providers and greater access to care for children.

Problems of access to health care particularly affect children in urban and rural areas. Some of these problems result from parents' inability to afford costly preventive health care. Under conditions of urban or rural poverty, the family's major financial commitment is made to survival. Health care is a luxury. Multiple demands on parents' time in single-parent families, or in families of two working parents, also preclude access to health care for children. The problem of child care for siblings while parents of large families seek health services for a single child also imposes barriers. Likewise, disadvantaged parents may be unwilling to endure the mass-processing atmosphere and lengthy waiting periods sometimes associated with clinic services. It is equally difficult for them to undergo the financial penalty and social discomfort of treatment in a physician's private office. Distance to health service sites precludes proper child health care particularly in areas lacking low-cost public transportation.

Many of these access problems could be solved in a cost-effective manner by making schools eligible to provide CHAP services. Large populations of children are easily accessible at the school site. Unserved children from outlying or disadvantaged areas are reached easily at the school. Providing CHAP services to large populations of youngsters at the school site will reduce preventive health care costs to parents. Costs of transporting children to another health service site and costs of broken appointments are eliminated.

Moreover, invaluable multiyear records about each child are available at the school. Professionals who have worked with the child in a variety of settings are available for consultation. School-site CHAP services enrich education by incorporating relevant aspects of each child's health status into educational planning. Such a CHAP program will expand the school's capacity to serve the whole child, especially in the areas of development, and social and mental health. Through the school-site health program, both educational and health professionals can work cooperatively to achieve maximum educational opportunity for the child.

New York State schools already provide a large number of health services. These unreimbursed services are funded completely by local districts. In the 1976–77 school year, New York State's unreimbursed local district expenditures for school health totaled $61 million. A large portion of that amount was spent by metropolitan districts serving urban concentrations of high-need children. Many of the LEA expenditures are made to comply with provisions of New York State Education Law, and other State and Federal statutes. Current school health activities include assessment, referral, recordkeeping, and emergency care, as well as provision of physical examinations for fitness, working papers and school sports. If schools were designated as CHAP providers, reimbursement for many of these services would be provided from Federal sources.

In spite of the number and type of school health activities now funded from local district budgets, the need for school health service has increased sharply over the last several years. Parents are no longer diligent in providing preventive immunization. Many parents believe that immunization no longer is a pressing concern because many childhood diseases have been eliminated. Such diseases, however, cannot be eliminated and are merely held in check through immunization. Because immunization is required for school attendance in New York State, this service can be offered most efficiently by having an immunization clinic come to the school or by authorizing the school to immunize students.

A second factor increasing the need for school-site health services is the reentry of large numbers of handicapped students in New York State's local districts. As school districts face budget reductions, providing special education services in the district may pose a least-cost alternative when compared to district expenses for private schools' programs. More importantly, reentry of handicapped students into school districts is also the direct result of a Federal mandate. The Education for All Handicapped Children Act (PL 94–142) of 1975 prescribes that handicapped students be educated in the least restrictive environment possible. For many such youngsters, that mandate means a return to the local district and/or placement in a regular classroom. Not only supplementary educational services, but also supplementary school-site medical services, are required to provide for this wide variety of handicapping conditions. The influx of handicapped students also creates a demand for greater numbers of placement assessments carried out through school health services. There is no Federal reimbursement currently available for these additional expenses which must be funded from local district budgets. When a Federal mandate creates a demand for a large number of sophisticated school-site medical services, the Federal government must exercise responsibility by authorizing school district eligibility for programs providing Federal assistance in this area.

New York State's multifacted effort to improve child health through the schools has not been rewarded. Many schools in the State can now meet the Federal criteria for provision of CHAP services. In no case will schools provide second-rate health services. However, in a state suffering under simultaneous conditions of inflation and economic decline, changes in school health services cannot be supported solely by local property taxation. The Federal government should reward states which display concern for and effort in providing child health care programs through the schools.

Recommendations:

1. To provide a cost-effective response to the increasing need for school-site health care, schools should be designated as providers of child health care services under the CHAP program.
2. Because population and industry have shifted, New York State faces high concentrations of disadvantaged children with many health care needs. This is particularly true in the State's large metropolitan centers where the cost of living is highest. Current eligibility requirements for CHAP services are based on the child's income eligibility for Medicaid. Particularly in high-cost urban areas, large numbers of disadvantaged children whose family incomes fall just outside Medicaid requirements, and whose parents cannot provide preventive care, would remain unserved under the present system. Income eligibility for CHAP should take into consideration cost-of-living indexes to provide equal health care opportunities for disadvantaged children in high-cost urban areas.
3. Current CHAP provisions allow a 50 percent Federal share with a respective 25 percent matching requirement for states and localities. Federal sharing for screening and follow-up should be at the 75 percent level.
4. CHAP should include increased allowances for dental health programs as part of a comprehensive program for child health.
5. The developmental portion of the CHAP program should be expanded to provide more intensive services in the areas of social developmental and mental health.
6. Federal support for health education through the schools should be expanded.

VI. NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

Recognizing the significance of state and local records in preserving American History, Congress created the National Historical Publications and Records Commission (NHPRC) in 1974. This Federal agency evolved from the 1934 National Historical Publications Commission. The NHPRC is authorized to make grants for gathering, arranging, describing and preserving important historical records. Applicants may be state and local governments or nonprofit organizations and institutions. Not only are records protected from loss or destruction, but they are organized to provide an irreplaceable information resource for governments, private organizations and individuals. The records preserved through NHPRC grants include minutes of meetings, tax records, court records, maps, photos, manuscripts, and historically significant petitions and protests.

Such records preserve American and New York State history in both the public and private sectors. In the public sector, NHPRC-preserved records provide a rich source of policy precedent for State and local governments. These documents trace the evolution of government services as well as the geographic and architectural growth of the localities. In the private sector, the data reveal both the ethnic diversity of the localities and the contributions of immigrant groups to the American political culture. Historical records preserved through NHPRC-funded projects also provide valuable information regarding the growth of business, education, labor, the professions, religion, science, and minority and women's rights.

The NHPRC program has made a significant contribution to the preservation of American and New York State history by local applicants. An initial 1976 NHPRC grant of $18,800 to the New York State Education Department's State Archives sustained that office during a critical period. The office then was instrumental in bringing more than one half-million dollars to local applicants over the past two years. These outright, matching and combined grants are made by the Commission directly to applicants. Although there are no administrative set-asides for the Education Department in NHPRC grants, the agency administers the program along with the Governor's Historical Records Advisory Board and offers a variety of informal review and technical assistance functions to support local applicants' activities. In 1978, the New York State Education Department received the largest NHPRC records grant to any applicant to date. The $155,344 grant will be administered by the Education

Department on the advice of the Governor's Historical Records Advisory Board. The grant will support the New York Local Government Archives Project. This pioneering project provides grants and professional records assistance to municipalities for the preservation of significant local and historical documents. It will serve as a national model for reorganization and preservation of municipal historical data.

The NHPRC program also is having other important effects on the State. Individual projects totaling $97,028 have been funded in major cities of New York State. NHPRC has contributed on a short-term project basis to the viability of the New York Public Library, which is facing major financial constraints. Some of New York State's postsecondary institutions also have received NHPRC grants. NHPRC has awarded the international YIVO Institute for Jewish Research a grant to collect and process 19th and 20th century records of Jewish self-help organizations in New York City. These organizations assisted Jewish immigrants in making the dramatic transition to New York City life and to American culture. It is hoped that principles of successful cultural accommodation and cultural preservation for groups currently undergoing these challenges can be developed through these materials.

NHPRC grants have provided a number of new jobs in the State. These temporary positions may provide additional training to individuals who then move on to similar jobs in other organizations when the NHPRC project terminates. In some cases, positions formerly funded by NHPRC are funded from applicants' budgets upon termination of the grant.

NHPRC funds also have been awarded to New York State to build upon records projects by aggregating papers of principal figures in New York State history in two forms: books and microfilm. Most of the funding for these documentary projects is directed toward salaries. Community participation is encouraged since matching office space usually is provided by a university or historical society.

The Regents fully support this effort to ensure the survival and wider research use of New York's official documentary heritage. The NHPRC enhances understanding of New York State's unique historical past and the relevance of its past to the present and future. The following recommendations will expand NHPRC independence, increase NHPRC funding, and broaden its mandate to include important related activities which presently stand outside its authorized role.

Recommendations:

1. The NHPRC has a distinct mission and serves a different clientele from that of its parent agency, the National Archives and Records Service, General Services Administration. It warrants its own place within the GSA budget. Increases in the NHPRC appropriation should not be made by taking funds from the National Archives and Records Service budget, as in FY 1978.
2. To ensure the widest accessibility of historical resources, the NHPRC role should be expanded to include support of training activities and educational programs (including institutes, publications, fellowships and other appropriate projects) to assist individuals and institutions in collecting, preserving and publishing significant historical records.
3. The NHPRC should be empowered to support efforts to disseminate information about historical records, including the publication of guides, directories, and specialized technical materials, as well as the creation of computerized data bases.

VII. LIBRARY SERVICES AND CONSTRUCTION ACT

Library services are an integral part of a full educational program in New York State. Libraries also play a central role in the literary, cultural, historical and recreational lives of New York State communities. Our libraries offer free services designed for persons of all interests, ages, and socioeconomic backgrounds. Special materials are provided to assist the blind and the visually handicapped. New York State's growing system of library networks, spanning the State, promotes sharing of a range of library resources among communities and institutions in widely separated geographic locations. This cooperative network makes possible economic, educational, cultural, and social development. A major portion of the research resources of the State are held by privately supported universities and private business. Reciprocal agreements and networks provide access to these resources—making them available to students, faculty and research personnel as well as other interested individuals.

New York State libraries also provide unusual and expanded services. The Job Information Center program, conducted through libraries, assists unemployed and underemployed persons from many training backgrounds in locating rewarding employment opportunities. Continuing educational opportunities as well as services to the Adult Independent Learner and to participants in nontraditional educational programs are characteristic library services.

Because New York State libraries take the initiative in providing rich resources and important services to all people of the State, the Regents support the White House Conference on Libraries in making library services a national policy priority. The Regents look to the Conference to assist libraries in enriching and expanding current services and in developing new services responding to the needs of the variety of patrons libraries serve.

Senator **Pell**. Thank you.

I am sure there is much to be drawn from your testimony, which will appear in the record.

With the specific legislation before us, do you have any preference for the House bill or the administration's bill?

Commissioner **Ambach**. I would have to comment on separate parts of it, rather than just a comprehensive statement of endorsement either way. In some respects we would prefer one, and in some respects we would prefer the other.

Senator **Pell**. But as a basis from which to work, would you have a preference?

Commissioner **Ambach**. I think I would take the preference that the committee has taken, and that is begin with an extension of existent legislation, and then building thereon.

Senator **Pell**. That is our present intent. Also, as you know, the administration has proposed no set sums, no specific authorization amount. Do you have any thoughts there, as to what the authorization amount should be?

Commissioner **Ambach**. At this point, I do not have specific figures. If there might be an opportunity to provide you with such, I would be very pleased to do so.

Senator **Pell**. The record will stay open for at least 2 weeks, if you care to submit any statements in this regard.

Commissioner **Ambach**. I would appreciate that opportunity.

Senator **Pell**. Thank you very much.

Senator Javits?

Senator **Javits**. Thank you, Mr. Chairman.

First, let me welcome you personally, and also to call attention to the magnitude of New York's commitment to higher education, which is enormous, and represents, as you point out on page 9 of your statement, 12.5 percent of the State's total operating budget, and runs to $4.5 billion, with $1.5 billion of direct support of institutions of higher learning and student aid for 400,000 students. Absolutely fabulous figures.

So that when it comes to bearing our share of the load, it seems to us very amply justifies what we are always fighting here, restrictive formulas, which penalize New York, only because it is doing so much really right out of its own blood and sinew, because our State is not doing well, considering the loss of employment and the high rate of unemployment, unusually, and even now, and undoubtedly going to get worse.

I gather those express your sentiments?

Commissioner **Ambach**. They certainly do, Senator.

Senator **Javits**. Also, I call attention to the fact that we do not drain other States. There is no brain-drain to New York. On the contrary, according to your figures, we have a net outflow of 60,000 students a year to postsecondary education outside of New York.

Commissioner **Ambach**. That is correct.

Senator **Javits**. And is most of that in the United States rather than abroad?

Commissioner **Ambach**. That is correct.

Senator **Javits**. What percentage would you say, of that 60,000, studies abroad?

Commissioner **Ambach**. I would have to doublecheck it, Senator. My estimate would be probably 10 percent.

Senator **Javits**. So it is not material?

Commissioner **Ambach**. No; it is not large.

Senator **Javits**. Well, I just wish every member here, when we fight these formulas, and upper limits which are completely arbitrary, and penalize us, because we try so hard, and sacrifice us, could read your statement. I am very proud of our State. I want very much to see it continue, considering its own financial stringencies, it certainly cannot take automatic repression when it comes to Federal legislation, especially in the allocation of funding.

Commissioner **Ambach**. That is certainly correct.

Senator **Javits**. Well, thank you very much. You have been very helpful, and again, I say it fills me with pride for our State to have you give us these figures.

Commissioner **Ambach**. Thank you, Senator. My stress on the connection between State and Federal interest, of course, is all focused exactly on the points that you have just been making. There must be a flexibility in the way that there are formulas set and programs administered, so that there is an advantage taken of a separate State capacity and a recognition of what the separate State capacity has been.

Senator **Javits**. Thank you very much.

Senator **Pell**. Senator Williams, the chairman of our full committee.

The **Chairman**. Thank you very much, Mr. Chairman. I appreciate the opportunity to thank Commissioner Ambach. Time is not sufficient right now to have the benefit of further discussions.

So let me stop right there, again with appreciation for your thoughtful contribution to the reauthorization program.

Commissioner **Ambach**. Thank you very kindly.

Senator **Pell**. Thank you very much indeed.

Now, our next panel is a panel on planning, Dr. Edward Hollander, commissioner for higher education, New Jersey; Dr. John C. Honey, professor, Maxwell School, Syracuse University, representing the education commission of the States; and Dr. Paul Barton, vice president, National Manpower Institute.

Senator Williams?

The **Chairman**. I am pleased to welcome the panel, and particularly, of course, from New Jersey, the chancellor of the department of higher education. Chancellor Hollander, we have run through the lights from red to amber to red. Dr. Hollander is recognized as a leader in the matters before us.

The State of New Jersey, under his leadership, has taken giant strides in the collaboration and planning of resources to meet the State's education needs. We could have no more experienced and thoughtful witness on subjects that are before us, Mr. Chairman.

Welcome, Chancellor.

STATEMENTS OF DR. EDWARD HOLLANDER, COMMISSIONER FOR HIGHER EDUCATION, NEW JERSEY; DR. JOHN C. HONEY, PROFESSOR, MAXWELL SCHOOL, SYRACUSE UNIVERSITY, REPRESENTING EDUCATION COMMISSION OF THE STATES; AND DR. PAUL BARTON, VICE PRESIDENT, NATIONAL MANPOWER INSTITUTE, A PANEL

Dr. HOLLANDER. Thank you, Senator.

You have a statement for the record. I shall add to that statement, and not repeat it.

I am in favor of the Ford bill, and not the administration bill. If I had to choose between the Ford bill and the administration bill, the Ford bill is superior, if one had to take it as a whole.

I would like to use my time to give you illustrations of the advantages of statewide planning, and how they carry out the Federal purpose.

We are in the midst of a preparation of a statewide plan in New Jersey now, and I would like to give you some very specific illustrations of some of the things that have come to light, and some of the things that we have done as a result of that process.

We have identified a rising demand in our State for persons with technological skills because of the nature of the industry in New Jersey, but we found, coexisting with that demand, a high unemployment rate among overschooled and undereducated urban youth.

We have put in place a widespread remedial program, using State funds. We have expanded student aid for the poor, using State and Federal SSIG funds, and established need technical programs using Federal vocational education funds and CETA set-aside funds. We are in the process of establishing new programs in operations technologies, machine school technology, culinary arts, and training individuals for new industries.

Through planning, our board of higher education identified an imbalance in funding between the independent colleges and the public sectors. We immediately proposed, and the legislature adopted, as new legislation overhauling institutional aid to the private sector. We used increasing SSIG allocations to raise the tuition aid ceiling for students attending private colleges so that they could have greater freedom of choice. Through planning we are anticipating shifts in enrollment among institutions, and we are now in the process of restructuring our budgetary process to facilitate such shifts, and to maintain institutional support where enrollment may decline.

Through planning we have identified unmet needs among special populations: among prison inmates, among servicemen, among the handicapped, among State employees and other adult constituencies. We have now put in place new programs in several of these areas, and others are being developed as a part of the planning process.

Through planning we have identified a growing proportion of our college-age population, will come from among the urban poor, and persons with serious deficiencies in the use of the English language.

We are now in the process of evaluating our bilingual educational programs, and upgrading our special support services.

Through planning and statewide coordination, we are able to respond to the *Bakke* decision without any diminution in our outreach efforts, which are second to none in the Nation.

I ask that you support the provisions of title I included in the House bill; they contribute to statewide coordination within defined boundaries. I do have some concerns about the systems of allocation among the States, and I think you ought to examine the minimum levels called for in the Ford bill.

I also ask that you increase the amount for the SSIG program; we think it is too low compared to the levels provided for in the SEOG program.

I also ask that you consider language that will encourage and provide greater incentives for comprehensive statewide planning conducted in a way that makes it possible to receive institutional input, and preserves institutional autonomy.

Finally, Senator, I would like to talk candidly about some of the tensions that exist between institutions and statewide boards. There is a deep concern, I think, and properly so, on the part of institutions that statewide planning will somehow erode their autonomy, and overstep the boundaries that should separate Government from higher education.

The Ford bill in the House represents a concerted effort among the leadership of the colleges and universities, and leadership in this State to set aside those differences and find a proper balance between institutional accountability which protects the public interest and institutional autonomy which is an essential value to our higher education system.

I think this committee and the Congress set the right balance between the Federal role and the State role in the 1972 and 1976 amendments, and I am hopeful, as you consider these amendments, you will keep us moving in that direction. There are weaknesses in some of the States in the area of coordination, but look at the States where effective coordination takes place as a model for the Federal-State relationship, and the others will follow.

Let us move in the right direction.

Senator **Pell**. Thank you very much indeed, Dr. Hollander. Dr. Honey?

Dr. **Honey**. Thank you, Senator Pell.

The accomplishments of American education since 1956 have been notable. Indeed, education is the one domain within the humane services that can be pointed to as having gone far toward achieving the goals society set for it. This is perhaps especially true of higher education where, in less than 15 years, we have made available to virtually any qualified young person the opportunity to pursue postsecondary study under a wide variety of institiutional arrangements. We too seldom note this achievement bemused as we are with our continuing problems. The fact that, at this juncture, as the new Congress pursues reauthorization of the Higher Education Act of 1965, no great new initiatives are being urged, is a clear sign that we have a success on our hands.

It may be indiscreet to note this situation to this subcommittee. I once heard President Pusey of Harvard announce the successful completion of a very large fundraising campaign. He was masterful in expressing his satisfaction and in immediately inundating his audience with a full account of Harvard's urgent ongoing unmet needs. While we all realize that there are grave problems to be dealt with by American higher education, these are not intractable and many of them are being worked at vigorously by the interested parties in Washington, in the States and in education institutions themselves.

Consequently, at this time, reauthorization would seem to afford the opportunity to take a solid look at the higher education system from the viewpoint of making it function with maximum effectiveness. I use the phrase "higher education system" advisedly. Some spokesmen for higher education take fright at the term. They see it as implying a tightly meshed network, centrally controlled, in which the autonomy of individual institutions is forfeited.

As I speak of the higher education system, I am referring to that complex set of arrangements involving the Federal Government, the States, and academic institutions which has much to do with the conduct of the higher education enterprise. These are arrangements built around shared goals; shared administration and shared financing.

Postsecondary institutions, State and local governments and the Federal Government have at least six goals in common: To allow qualified students to fulfill their postsecondary needs and interests; to give students a choice of institutions so that their educational requirements will be well served; to satisfy society's needs for knowledge, for cultural expression, and for an educated citizenry; to deal with public service problems; to maintain a responsive, pluralistic, high-quality system of higher education; and to use education resources effectively and efficiently.

In my prepared statement I also call attention to the fact that shared administration in the higher education system is perhaps best illustrated by student-aid funding where the Federal BEOG is the base upon which increasingly State student aid is built with packaging in individual institutions.

With respect to shared funding, I note that we do not always realize the approximately equal nature of the support: about one-third from the Federal Government, one-third from the States; and one-third from parents and philantrophy and others.

To look at higher or postsecondary education as a system has many utilities. I go on to point out that this may increase the sensitivity with which the Federal Government approaches its relationships to States and institutions. It may make the States more responsive to Federal initiatives and it may alleviate some of the alarms which are so prevalent in institutions with respect to initiatives from the Federal and State governments.

We, in institutions, always like the money; we are always fearful of what may happen with respect to our autonomy.

I would like to suggest three areas where Federal action during reauthorization could be particularly helpful in strengthening the postsecondary education system. In doing this, it is worth remembering that only the Federal Government has the capability to influence the system as a whole. While individual States may undertake activities that are illustrative for the Nation, they can directly affect only their own constituencies. They can engenerate ideas that are worth emulating, but the actual impact will be on the individual institutions.

First is the area of planning and coordination of postsecondary education. Section 1202 of title XII of the 1965 act, as amended, called on the States to establish broad planning agencies for postsecondary education. Virtually all of the States have responded by either designating existing agencies as their 1202 planning commissions or by creating new bodies for this purpose. The question is frequently asked as to why the Federal Government should be concerned with State planning of postsecondary education. And from the institutional side, alarms—largely unfounded by experience, I should note—have been expressed that Federal encouragement of State planning will lead to intolerable requirements imposed on individual colleges and universities and infringements of their autonomy.

It seems apparent that with its heavy investment in postsecondary education, the Federal Government should be deeply concerned with having a higher education system which is well coordinated, avoids excessive duplication, weeds out poor quality, and provides a sufficiently varied array of opportunities so that citizen needs are met. There is need to review the act in terms of the kinds of fiscal and administrative assistance provided to institutions and to States. I note that there are 19 different subsections of the act which provide such assistance to institutions and States and I call attention to the fact that many of these are unfunded. It is in the Federal interest to aid in the development of greater institutional and State administrative capability. The cost of funding these or similar sorts of technical and fiscal assistance to institutions and States is limited. I urge that the act be reviewed carefully because the provisions are now of a hodgepodge nature.

Finally, I come back for a moment to the theme that we do have a success on our hands and that is a most opportune moment to review the situation in terms of its system characteristics. The States and institutions, with Federal help can be strengthened and made to function far more effectively.

Thank you very much.

[The prepared statement of Dr. Honey follows:]

STATEMENT BEFORE THE SENATE SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES

by

John C. Honey
Professor of Political Science and
Higher Education, Syracuse University
October 3, 1979
Washington, D.C.

The accomplishments of American education since 1965 have been notable. Indeed, education is the one domain within the humane services that can be pointed to as having gone far toward achieving the goals society set for it. This is perhaps especially true of higher education when in less than fifteen years we have made available to virtually any qualified young person the opportunity to pursue postsecondary study under a wide variety of institutional arrangements. We too seldom note this achievement bemused as we are with our continuing problems. The fact that at this juncture, as the Congress pursues reauthorization of the Higher Education Act of 1965, no great new initiatives are being urged, is a clear sign that we have a success on our hands.

It may be indiscreet to note this situation to this subcommittee. I once heard President Pusey of Harvard announce the successful completion of a very large fund-raising campaign. He was masterful in expressing his satisfaction and in immediately inundating his audience with a full account of Harvard's urgent, on-going unmet needs. While we all realize that there are grave problems to be dealt with by American higher education, these are not intractable and many of them are being worked at vigorously by the interested parties in Washington, in the states and in educational institutions themselves.

Consequently at this time reauthorization would seem to afford the opportunity to take a solid look at the higher education system from the viewpoint of making it function with maximum effectiveness. I use the phrase "higher education system" advisedly. Some spokesmen for higher education take fright at the term. They see it as implying a tightly meshed network, centrally controlled, in which the autonomy of individual institutions is forfeited.

As I speak of the "higher education system" I am referring to that complex set of arrangements involving the federal government, the states and academic institutions which has much to do with the conduct of the higher education enterprise. These are arrangements built around shared goals; shared administration; and shared financing.

Postsecondary institutions, state and local governments, and the federal government have at least six goals in common: to allow qualified students to fulfill their postsecondary needs and interests; to give students a choice of institutions so that their educational requirements will be well-served; to satisfy society's needs for knowledge, for cultural expression, and for an educated citizenry; to deal with public service problems; to maintain a responsive, pluralistic, high-quality system of higher education; and to use education resources effectively and efficiently.

The shared administration of many programs is a second source of evidence of a highly interdependent education system. We may simply cite the most notable example, the student aid programs. The federal BEOG awards are now widely accepted as the base on which additional student aid is built. State student aid awards are increasingly contingent on whether students have applied for the BEOG. The packaging in individual institutions, and the application of other federally aided or philanthropically provided funds which institutions disburse, are similarly contingent on the federal BEOG and state student aid awards.

The shared funding of the higher education system is self-evident. What we too seldom realize is that the proportions are approximately equal: about one-third from the federal government; one-third from the states; and one-third from students, parents, and philanthropy, institutional and otherwise.

To look at higher or postsecondary education as an interdependent system has many utilities. Given the fact of shared goals, it then becomes possible to assess whether each goal is being adequately pursued by federal, state and institutional endeavors. Are new or modified measures called for to better accomplish a particular goal? Given the fact of shared administration of many programs, it becomes important to assess the impact of administrative requirements that flow through the system and variously affect the participating components. Given the shared funding that maintains higher education, it should be possible periodically to evaluate the appropriateness and fairness of the division of fiscal responsibilities. In our view, wider understanding of the partnership nature of the higher education enterprise could lead the federal government to be more sensitive to state and institutional interests and capabilities. It could aid the states in responding to federal initiatives and in their expectations regarding institutions. It might allay some of the persistent fears of institutional leaders that governments will become too intrusive.

We would like to suggest three areas where federal action during reauthorization could be particularly helpful in strengthening the higher postsecondary education system. In doing this it is worth remembering that only the federal government has the capability to influcence the system as a whole. While individual states may undertake activities that are illustrative for the nation, they can directly affect only their own constituencies. The efforts of individual institutions may also be instructive for others. But it takes federal action for national impact.

First is the area of planning and coordination of postsecondary education. Section 1202 of Title XII of the '65 Act, as amended, called on the states to establish broad planning agencies for postsecondary education. Virtually all of the states have responded by either designating existing agencies as their 1202 planning commissions or by creating new bodies for this purpose. The question is frequently asked as to why the federal government should be concerned with state planning of postsecondary education. And from the institutional side, alarms (largely unfounded by experience, I should note) have been expressed that federal encouragement of state planning will lead to intolerable requirements imposed on individual colleges and universities and infringements of their autonomy.

It seems apparent that with its heavy investment in postsecondary education the federal government should be deeply concerned with having a higher education system which is well-coordinated, avoids excessive duplication, weeds out poor quality, and provides a sufficiently varied array of opportunities so that citizen needs are met. That concern can best be addressed by having each state plan and coordinate its own postsecondary activities. There is too much complexity across the nation and within each state to have the federal government do the planning. State planning permits the distinctive features of postsecondary education to be assessed and addressed at a meaningful level.

There is strong pressure from institutional spokesmen, and from those who retain a primarily institutional outlook, against having the federal government encourage and share in the support of state postsecondary planning agencies. This, in our view, is parochial. Planning is essential and states can best accomplish it. The federal government has a deep interest in the effective planning of the postsecondary system. It should continue to encourage the states, under provisions which take account of each state's unique history and traditions. The proposed state agreements, to replace 1202 Commissions, as called for in HR 5192 would admirably accomplish this. The federal government should also continue to share in the cost of state planning since its interest is so clearly being served.

During reauthorization the titles and parts of the '65 act, as amended, should be reexamined from the planning perspective. Are there planning activities now required which should be related to the states' comprehensive planning for postsecondary education, for example, community service and continuing education planning under Title I? Should such a program as the Developing Institutions Program under Title III, which now has only a federal-institutional relationship, be subject to review by the state planning agency? Is sufficient information about activities under each title and part of the Act being provided to the state planning agency so that it can effectively accomplish its work?

The second area we wish to mention has to do with the fiscal and administrative capabilities of the states. Since the constitutional responsibility for education resides in the states, it is appropriate that the states do all they can to pursue the national interest in education. But state efforts do not always add up to addressing the national interest because of limited perspectives, limited resources and limited administrative capabilities. Nonetheless, as the federal government meets unattended national needs in postsecondary education it can properly expect the best possible performance from the states commensurate with their capabilities. Sometimes it seeks to assist states through providing technical assistance and through meeting part of the cost of joint federal-state programs. Under the Act of '65, as amended, seven different provisions proffer administrative and technical assistance to the states. We believe the entire act should be reviewed to determine whether such existing provisions should be continued or modified and to consider whether there are other areas where states might be benefitted by offers of technical and fiscal assistance from the federal government to strengthen state performance. We further think that the Secretary of Education should periodically have an assessment made of the overall fiscal position of the states. While their economies tend to be highly volatile, there will undoubtedly be periods in which the states, because of relatively favorable financial conditions, can assume a larger share of the costs of higher education.

The third area we wish to speak to is that of the administrative and fiscal capabilities of individual institutions. It is quite evident that federal and state higher education dollars will be well utilized only if institutions are fiscally and administratively competent. The health of individual institutions is also very much at stake. The present act recognizes this, if in a somewhat erratic fashion. Twelve different provisions, many never funded, assist institutions to meet the costs of program administration and program planning, and to carry out specific tasks such as work-study job location. Subsidies are authorized to defray instructional costs in certain programs. Two titles provide for the training of institutional administrators. Title VII provides funds to aid in complying with federal construction and renovation requirements. We recommend that all parts of the act be reviewed thoroughly from the perspective of assisting institutions to strengthen their administrative capabilities both through funding and technical assistance. The costs of such assistance are modest. The pay-off can be substantial.

Finally, given the permanent reality of a highly interdependent post-secondary system, we urge a regular review of its performance. This could perhaps be undertaken as one of the tasks of the Inter-governmental Advisory Council on Education provided for under the bill creating the Department of Education.

As noted at the beginning of this statement, the American post-secondary system is a success. It is unique throughout the world. Our capacity to strengthen it through using resources wisely and effectively will have much to do with the kind of judgment we and the nation can make about our enterprise a decade hence.

Senator PELL. Thank you, Dr. Honey.

Mr. Paul Barton.

Mr. BARTON. Thank you, Mr. Chairman. I am Paul E. Barton, vice president for planning and policy development of the National Manpower Institute.

These remarks have to do less with the day-to-day concerns of adjusting the Federal role in higher education than they do with laying a base for a larger role for higher education in helping the Nation grapple with some very large problems that are going to be with us in the 1980's.

The specific recommendation is that the Higher Education Act authorize a 4-year program of experimental and demonstration efforts to bring about a better relationship between education and work; planning, if you will, on an action and experimental basis. I will give a few examples of the kinds of policy possibilities that could be piloted under such legislation.

One, we need to put the processes in place which will get forward movement on education-work linkages at the local level, with a minimum of Federal involvement.

The National Manpower Institute is in the third year of a pilot project to develop 30 community educational work councils which have cut their teeth on the problem of smoothing the youth transition from school to work. These councils are composed of representatives from education, business and industry, unions, voluntary service organizations, and local government. An NMI survey of 28 councils last spring found they had 938 members working on a collaborative basis, of which 286 are from the educational sector, for an average of around 10 percent per council. They started on a youth agenda and they are now ready to move on an adult learning agenda.

Two, we are learning enough about how to provide adults with education information and educational brokering services in central locations to adapt these services to where the adults live and work.

Through funding by the National Institute of Education, NMI has found that there are potentially $2 billion to $4 billion in tuition aid funds available for education of workers. However, only from 3 to 5 percent of eligible workers are taking advantage of these present opportunities, with even fewer blue-collar workers signing up. Intensive surveys of workers, employers, and unions, by NMI have established that one of the cheapest and most effective measures for worker participation is to get information and counseling to them where they work.

Three, in recessions, we can do better than only provide income support for those who lose their jobs. It is ironical that a Nation with such a strong work ethic should choose to meet recessions almost wholly with policies to support income rather than to combine that with increasing productive roles for people thrown out of work. The Nation will automatically spend an additional $20 billion to $30 billion in a serious recession for unemployment insurance, welfare, and food stamps, but it has no policies for helping people use that downtime better, in their own interests and those of the economy.

When the employment system fails, we can take up some of the slack by providing productive opportunity in the education system while workers are drawing unemployment insurance and by keeping workers in education and training status rather than laying them off.

Fourth, the inner-city youth employment situation continues to deteriorate, and pilot programs might show how postsecondary education institutions can help.

If resources were available, a number of community colleges could try their effectiveness at creating combination work and study programs for inner-city youth who have been out of the regular school system for a specified period of time. Many such youth may find it attractive to go to college when they would not return to high school.

Fifth, there is the possibility of substantial trial runs of a partial and practical approach to adult educational entitlements, by removing the fine print in the existing social contract which says we provide 12 years of free public education. This is true only if you take it straight through at one sitting. So if we remove that fine print adults who dropped out of school could use those credits later in life.

Sixth, we could try creating a revolving fund for advancing money to workers to take advantage of inudstry tuition-aid programs. We find many of them saying they cannot afford the upfront costs to wait for the reimbursement. The revolving fund would be paid back when the employee completes the course and is reimbursed by his or her employer.

Seventh, we could experiment with new ways to use higher education to help narrow the occupational disparity between men and women.

In brief, the proposition here advanced is that we should get a number of policy trial runs underway now which would create a more mutually beneficial relationship between work institutions and postsecondary education institutions, and which would provide a base for practical starts on a policy of recurrent education.

Thank you, sir.

[The prepared statement of Mr. Barton follows:]

Testimony of Paul E. Barton,
Vice President for Planning and Policy Development
National Manpower Institute

Before the Senate Subcommittee on Education, Arts, and Humanities
October 3, 1979

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to testify with regard to the extension of the Higher Education Act.

These remarks have to do less with the day-to-day concerns of adjusting the Federal role in higher education than they do with laying a base for a larger role for higher education in helping the Nation grapple with some very large problems that are going to be with us in the 1980s. I briefly wish to note those problems, to suggest how linkages between postsecondary education and other key institutions may help resolve those problems, and to suggest one form in which modest amounts of venture capital might be used to good advantage over the next few years.

Americans are entering the 1980s with less optimism and confidence about the human prospect than they have had since entering the 1940s. And while periods of American pessimism are usually brief, it is a fact that there are some very difficult problems now upon us and lurking in our future. The soundest basis for optimism about solving those problems lies in taking sensible steps now to provide practical alternatives to the passive acceptance of trends some believe will establish "limits to growth."

The problems I refer to are:

— Intractible inner-city and rural youth unemployment and the related fact that a growing number of youth are leaving school without a basic education;

These views do not necessarily represent those of the Trustees of the National Manpower Institute.

-- The severe pressures on the job market coming from women, minorities, older people, and the new immigrants...and the needs these people have for skills that will enable them to enter regular, well-paying jobs;

-- College graduates and college dropouts who are not finding jobs;

-- Inflationary pressures which force fiscal and monetary responses that idle hundreds of thousands in a recession;

-- Declines in economic productivity and an increasing inability to compete in world markets;

-- The shortage of fossil fuel that throws us back on the development of the human resource.

In one way or another, these problems can be lessened if not solved through a better interface between education institutions and work institutions, and through a more conscious use of the primary knowledge institutions of the Nation, our colleges and universities. The proposition here advanced is to find out, with modest expenditures, how much help we can get from this quarter.

The specific recommendation is that the Higher Education Act authorize a four-year program of experimental and demonstration efforts to bring about a better relationship between education and work. The basic principles which would guide these demonstrations are:

-- the need to get started on a practical basis toward meeting real needs of adults and the Nation, as opposed to simple rhetoric around the phrase "life long learning"...a phrase which has a pretty face, but so far a reality that is only skin deep;

-- the need for the community and the Nation to draw upon the creativity, and knowledge base of postsecondary institutions;

-- the need for education institutions to work collaboratively with employers, labor unions, and local government in expanding worklife learning opportunities for workers and in facing the problems that we will be carrying into the 1980s;

— the need for adults to have adequate information about all their educational opportunities, and how they avail themselves of them, narrowing the difference between paper opportunities and real ones;

-- the need for trial runs of new ventures, in an era when we can ill afford expensive mistakes.

An Education-Work Demonstration Projects Title or Section would permit us to start now, on a variety of fronts, and in an affordable way, on a practical approach to recurrent education and to the development of some mutually beneficial relationships between work, education, and government institutions.

As for content of such legislation, a few illustrative examples are provided of developmental work which needs to be performed as we enter the 80s.

1. We need to put the processes in place which will get forward movement on education-work linkages at the local level, with a minimum of Federal involvement.

The National Manpower Institute is in the third year of a pilot project to develop 30 Community Education Work Councils which have cut their teeth on the problem of smoothing the youth transition from school to work (see Attachment for additional information). These Councils are composed of representatives from education, business and industry, unions, voluntary service organizations, and local government. They have been local, private, collaborative efforts, with seed money to defray secretariat costs coming through NMI from the Department of Labor's Office of Youth Programs. Among them, they have generated over 200 specific programs to help youth.

With similiar encouragment, most of these councils, or new ones formed around new issues, can initiate collaborative efforts toward using all community resources to expand learning opportunities for adults.

There is now sufficient successful experience with these Councils to warrant creation of a new effort around an adult and recurrent education focus for a modest outside investment of only about $40 to $50 thousand per community, for each of two or three years. After that time, these Councils could be expected to run under their own steam, as has been demonstrated in the NMI pilot program, and verified by Abt Associates, which is under contract with the National Institute of Education to evaluate the performance of the Work Education Consortium Project.

The experience with existing Councils demonstrates conclusively that educators will join in and play an important role in Community Education Work Councils. An NMI survey of 28 Councils last Spring found they had 938 members. Of these, 286 were from education institutions, or an average of about ten on each Council (there were 343 from business, 58 from labor unions, 125 from local government, 9 from the media, and 27 from service-related organizations). Postsecondary education is already very substantially represented on the Councils, even though most activities have dealt with transition to work issues for secondary school students: 26 members are from technical and community colleges, 44 are from four-year colleges and universities (23 are college presidents), and 6 are from adult and community education. Six are chaired by college presidents.

These kinds of collaborative approaches could be tried around adult education-work issues. They would represent a truly community approach to adult learning.

2. We are learning enough about how to provide adults with education information and educational brokering services in central locations to adapt these services to where the adults live and work.

A most critical link between education and work for adults is in getting information to them about educational opportunities, brokering for them in gaining access to those opportunities, and helping them connect career and skill upgrading goals with appropriate course work. The National Center for Educational Brokering (NCEB)* has pioneered this effort and over 300 brokering centers now exist throughout the country. That center is now developing ideas for outstationing such services where even more adults can be reached.

One such idea for outstationing developed by the Center is the incorporation of educational information services into the offerings of neighborhood-based community organizations, and NCEB has worked with the National Association of Neighborhoods and three of its member organizations to develop the idea.

Another critical place to reach adults is at the workplace. Through funding by the National Institute of Education, NMI has found that there are potentially 2 to 4 billion in tuition-aid funds available for education. However, only from 3 to 5 percent of eligible workers are taking advantage of these present opportunities, with even fewer blue collar workers signing up.

Intensive surveys of workers, employers, and unions by NMI have established that

(1) workers don't know enough about these tuition-aid programs;

(2) workers receive very little counseling on how to use these educational opportunities;

(3) workers frequently feel that the community's educational institutions do not offer the courses they want, or at the time and place they want to take them.

One of the cheapest and most effective measures for increasing educational opportunity is to get information and counseling to adults where they work and live. It is a prospect that could benefit from a dozen or so pilot projects at the workplace.*

---

*A part of the National Manpower Institute.

3. In recessions we can do better than only provide income support for those who lose their jobs.

It is ironical that a Nation with such a strong work ethic should choose to meet recessions almost wholly with policies to support income rather than to combine that with increasing productive roles for people thrown out of work. The Nation will automatically spend an additional $20 billion to $30 billion in a serious recession for unemployment insurance, welfare, and food stamps, but it has no policies for helping people use that downtime better, in their own interests and those of the economy.

It is exactly when adults are idled anyway that the costs of education and training are least. The workers are not giving up wages to go to school, nor are they being idled when the economy needs them. Is this not the time to educate adults and upgrade the skills of the labor force?

There are three approaches that could be given trial in this recession. The first is that workers drawing unemployment insurance and judged by Employment Service counselors as unlikely to be re-employed before exhausting benefits would be able to enroll in education institutions. This means that for workers so certified the "available for work" test in unemployment insurance would be waived.

The second is that there could be experiments in which the connection between worker and employer would not be severed. Instead, workers who would otherwise be laid off would be put in education and training status. They would be paid stipends with costs shared between employers and government. Workers would maintain a connection with their employers and unions. Employers would not incur the expense of rehiring and training new workers and would have the skills of their workforce upgraded. And government would pay less in income maintenance.

---

*NMI's Worker Education and Training Project is now running three experiments at the workplace, which will provide a basis for larger scale trials.

The third approach would be to shelter inner-city youth employment programs in a recession by giving those leaving programs or losing their jobs a chance to go to school and upgrade their education, as an alternative to idleness on the streets.

When the employment system fails, why not take up some of the slack by providing productive opportunities in the education system?

4. The inner-city youth employment situation continues to deteriorate, and pilot programs might show how postsecondary education institutions can help.

The 19 year-old inner-city youth who began dealing with the realities of street life by age 12 and dropped out of school by age 16 is in a position similar to the adult with insufficient basic education for the employment market. Like the older adult, he isn't going to go back to the high school he left, and he needs to work to establish an independent household and to begin a family (if he has not already done so).

Inner-city educational achievement is slipping. The general high school dropout rate hasn't improved since about 1967. Youth are getting diplomas they can't read, and the real absentee rate climbs, we are told, as youth show up for the morning count (by which the schools compute their Average Daily Attendance) and then take to the streets.

We need back-up systems for those who have cut their ties with regular public schools. One possibility is the community and junior college system which remains generally flexible and responsive to community needs. About half of community colleges now no longer require a high school diploma for entry.

If resources were available, a number of community colleges could try their effectiveness at creating combination work and study programs for inner-city youth who have been out of the regular school system for a specified period of time. Many such youth may find it attractive to "go to college" when they would not return to high school.

> 5. There is the possibility of substantial trial runs of a partial and practical approach to adult educational entitlements...by removing the fine print in the existing social contract which says we provide 12 years of free public education.

While we say that every citizen is provided 12 years (or 13 including kindergarten) of free public schooling, this is true only if you take it straight through at one sitting.

A 35-year old who had to drop out of school after the ninth grade to support the family does not have three years of free public education left in the bank, which would be equivalent to about $4,500 in today's prices. The achievements of equality in school-going rates of teenage blacks and whites does little about the fact that 32% of blacks 30 to 34 years old did not finish high school, compared with 19% of whites of that age. The population groups most frequently dislocated by a changing economy are those with the highest percentage of school dropouts. Working women, trapped in low-paying, sex-stereotyped jobs, need to get out of them. Of course, an education renewal effort of this nature would rely on the whole of the educational system and not on putting adults back into the schools they left.

The honoring of this existing social contract is a good place to start on the road to a broader system of recurrent education. It could be done on a trial basis to determine cost and the degree of responsiveness we can expect from adults who have not used all their existing 12 or 13 years of public education.

* * * *

These are illustrations and possiblities. There are others:

— We could try creating a revolving fund for advancing money to workers to take advantage of industry tuition-aid programs. (Many say they can't afford the up front costs). The revolving fund would be paid back when the employee completes the course and is reimbursed by his or her employer;

— We could get some interchanges of staff between industrial and higher education institutions to promote better understanding;*

— We could experiment with new ways to use higher education to help narrow the occupational disparity between men and women (Possibilities in this area are more thoroughly explored by Joan Goodin, Director of the Center for Women and Work, testifying before your committee today);

— We could encourage a variety of creative efforts on a joint basis between industry and higher education to raise productivity.

In brief, the proposition here advanced is that we should get a number of policy trial runs underway now which would create a more mutally beneficial relationship between work institutions and postsecondary education institutions, and which would provide a base for practical starts on a policy of recurrent education.

---

*A proposition advanced by Robert Craig of the American Society for Training and Development.

Senator **Pell**. Thank you very much indeed, Mr. Barton.

I would defer to the chairman of the full committee at this time. Senator Williams?

The **Chairman**. I just wonder with many of these suggestions of things that could be done, whether you have formulated these in your full statement so that we could consider them in terms of legislative effort?

Mr. **Barton**. I have, Mr. Chairman, in somewhat more detail. Many of them exist other places recently published by the institute or in our policy position papers which would help move that forward very quickly.

Senator **Pell**. If I might interrupt.

The staff has been instructed to take all of these suggestions as they are made, either through written or oral testimony, and make sure each one is collected so that we move ahead. Obviously, we do not want any of them to slip between the cracks.

The **Chairman**. I do not have anything further except to promise myself that I will study the statements that are all going to be part of the record and thank all of the witnesses. We have a vote at noon.

Senator **Pell**. Under the administration's bill, the authorization would be for such sums. This, I think, is not a good idea.

Do you have a thought as to what an appropriate authorization level might be for this bill? This portion?

Dr. **Honey**. I am sorry, Senator, I do not understand the question.

Senator **Pell**. The administration asked for an elastic amount, such sums as may be necessary.

Do you have a suggestion as to what the specific amount should be to make this program work?

Dr. **Honey**. I would like to provide a judgment on this at a later time if I may.

Senator **Pell**. Certainly. The record will stay open for at least 2 weeks in that regard.

Dr. **Hollander**. I think what you have in the Ford bill makes a great deal of sense in that it establishes well defined authorization levels, and also, it links the funding of the various programs that comprise and come together in the student aid package, like BEOG, SSIG and SEOG. I think the bill permits a coordination of loans and student aid, something that we do in the State of New Jersey through a single board, and we think that is an effective approach too.

Senator **Pell**. How detailed do you think the Federal Government programs for higher education planning should be and to what extent should the Federal Government mandate a structure for the States? Do you have a feeling in this regard?

Maybe Dr. Hollander, as a commissioner of education, you could?

Dr. **Hollander**. I think the original 1202 legislation was deficient in that it imposed a coordinating structure on the States. The present legislation provides for the Federal Government to contract with the State and permits the State to designate the appropriate agency.

In our judgment, that makes a lot more sense.

I can also say that the executive officers support that approach as well. We think a mandate is inappropriate and by the contract route the Federal Government can influence structure, to the extent that it needs.

Dr. **Honey**. The flexibility provided in the House bill would seem to be the wisest route to go. Obviously, the Federal Government is unable to plan in detail. It needs to take account of the wide variety of patterns of higher education administration existing in the States and the greatest flexibility possible in the Federal approach to working out arrangements with the States seems to be the part of wisdom.

Senator **Pell**. Do you think the proper Federal role should be one of assuring that planning takes place and then that the States should move ahead and do the planning, or do you think there should be more of a pattern set by the Federal Government?

Dr. **Honey**. I think the planning has to be left to the States. The Federal Government has an interest in seeing that planning is done.

In our view, the Federal Government should assist the States financially and perhaps should provide technical assistance if this is desired. But planning, should take place under the broadest kind of prescription.

Senator **Pell**. Would you give us a couple of examples of the kinds of things, the types of things in higher education planning that are taking place at the State levels with the use of Federal funds?

Dr. **Honey**. It is difficult to identify, for New York State, for example, the planning effort directly related to Federal funding because in New York there is heavy state investment in planning. The review of graduate programs carried on by the State Department of Education in New York has been a source of considerable controversy. In my judgment, it is absolutely essential and has been a planning effort leading to advice to institutions to modify their programs, to drop certain programs, and to strengthen others. This approach in New York State has been invaluable and undoubtedly the Federal interest in planning has been a source of encouragement.

Dr. **Hollander**. I offer an example of how state planning implements Federal policy.

The Board of Higher Education in New Jersey has responsibility for all of the Federal titles that flows through State boards. We have a coordinated student aid system which takes into account basic opportunity grants, and grants awarded institutions, and tops it off with the State student aid award. Loans are available to every eligible student. Through these programs, we cover almost 100 percent of student need in the public sector and something approaching 50 to 60 percent of the need in the private sector.

Now, it is through a long-term program for planning and the bringing together within a single board of a program that combines Federal funds with the State funds, that we are able to reduce economic barriers. We know the income distribution of our students, we can anticipate what they are likely to be 5 or 10 years from now; thus we can set in place our own student aid program to complement the Federal effort. Thus we provide access and remove economic barriers which is the intent of the Federal legislation.

Senator **Pell**. Thank you very much, Dr. Hollander, Dr. Honey, and Dr. Barton, for being with us.

As I said, your statements and any remarks which you wish to send in later on will be inserted in full in the record.

At this point, there is a rollcall vote going on. We obviously cannot get through the rest of the witnesses this morning so we will meet against at 2 o'clock this afternoon, but in room 4232, the regular meeting place of the Committee on Labor and Human Resources. Room 4232 at 2 o'clock this afternoon.

The meeting will recess.

[Whereupon, at 12 noon, the subcommittee recessed, to reconvene at 2 p.m., the same day.]

AFTERNOON SESSION

Senator **Pell**. The Subcommittee on Education, Arts and Humanities will come to order.

The witnesses this afternoon, after this break, will be an old friend of the committee, Dr. Eleanor McMahon, vice president, Rhode Island College, and Daniel Griffiths, dean, School of Education, NYU.

I welcome you and am delighted that you are here.

STATEMENTS OF DR. DANIEL E. GRIFFITHS, DEAN, SCHOOL OF EDUCATION, NEW YORK UNIVERSITY; DR. ELEANOR McMAHON, VICE PRESIDENT, RHODE ISLAND COLLEGE; AND DR. JAMES L. GANT, DEAN, COLLEGE OF EDUCATION, FLORIDA STATE UNIVERSITY, A PANEL

Dr. **Griffiths**. Thank you very much, Senator Pell. We are very pleased to have this opportunity to talk with you.

I am dean of education, health, nursing and the arts professions at New York University.

I want to talk about two things. They are somewhat apart from the document which has been filed with you.

First, we want to say that there is great potential and significance in the Senator Williams' Schools of Education Assistance Act, and I encourage your subcommittee to report it as a part of the reauthorization of the Higher Education Act.

However, we do want to urge you to include the entire act that has been submitted by Senator Williams and not merely the part that is now in the House bill. We are particularly interested in the research and evaluation sections that were deleted from the House measure. We also are somewhat concerned that the planning at the State level be coordinated through the State agency that is responsible for higher education, not necessarily the State education department.

Now, what I would like to do is to talk with you about the thrust of the act, aid to schools of education. Schools of education have had a very hard time for the last 15 years. The school in which I am now the head was a school of education and I think our history typifies the problem, In 1963, our School of Education at New York University had 7,000 students. We had 3,500 undergraduates and 3,500 graduates. Of the undergraduates, we had 3,300 in teacher education. At present we have 400 undergraduate students in teacher education. However, our overall enrollment has grown to 8,000.

Now, what we have done is to convert a school of education to a school of education, health, nursing and the arts professions. This has come about because what was done was to retrain certain faculty members and as the older faculty members retired their replacements were assigned to new growing areas. A few examples of what I am talking about will illustrate this process.

We have converted a social studies professor to professor of community health education, one in physical education to the field of occupational health and safety, an educational sociologist to higher education, one in educational administration to higher education, a professor of early childhood education to special education, and a psychologist to occupational therapy.

Of course, we have also done other kinds of in-service education including sending professors to seminars, workshops, conferences and so on. In other words, what we have done is not allow the school to die but rather to take the talent that we had and through extra training and incentives and judicious use of replacements to move people into areas where there was considerable public need.

Now, you might ask if we did this without the School of Education Assistance Act, why is it needed? I think there are three reasons. First of all, we have not done all that we should have done by any means, because we simply were not able to.

Second, we did have funding from the Federal Government for health education, physical therapy, occupational therapy, nursing, and this money enabled us to make some changes, but this money is now running out. These appropriations have been cut. We are finding it exceedingly difficult to find money to continue to do these kinds of things even though they are needed very badly.

So I would like now to introduce Eleanor McMahon of the Rhode Island College, who will speak to the problems of teacher corps.

[The joint prepared statement of Dr. Griffiths, Dr. McMahon, and Dr. Gant follows:]

TESTIMONY

to the

SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES

COMMITTEE ON LABOR AND HUMAN RESOURCES

UNITED STATES SENATE

October 3, 1979

by

AMERICAN ASSOCIATION OF COLLEGES FOR TEACHER EDUCATION

ASSOCIATION OF COLLEGES AND SCHOOLS OF EDUCATION IN STATE UNIVERSITIES
AND LAND GRANT COLLEGES AND AFFILIATED PRIVATE UNIVERSITIES

TEACHER EDUCATION COUNCIL OF STATE COLLEGES AND UNIVERSITIES

Presented by:

Dr. Daniel E. Griffiths
Dean, School of Education, Health, Nursing and the Arts Professions
New York University

Dr. Eleanor McMahon
Vice President for Academic Affairs
Rhode Island College

Dr. James L. Gant
Dean, College of Education
Florida State University

Mr. Chairman and members of the Committee, thank you for this opportunity to testify regarding the reauthorization of Title V, (Teacher Corps and Teacher Training Programs). My name is Daniel Griffiths. I am dean of education, health, nursing and the arts professions at New York University. My colleaques, Eleanor McMahon, vice president for academic affairs at Rhode Island College, J.L. Gant, dean, college of education, Florida State University, and I, will be speaking on behalf of the three national associations of deans of education which represent the combined interest of the nation's 1240 schools, colleges and departments of education. Mr. Chairman, our recommendations to the Committee are these:

(1) we suggest that there is great potential and significance in Sen. Williams' Schools of Education Assistance Act (S. 360) and encourage your subcommittee to report it as a part of the reauthorization of the Higher Education Act;

(2) we suggest that the Teacher Corps program, with its new orientation and mandate, has great potential to benefit the inservice needs of school populations in areas of economic disadvantage;

(3) we suggest that the Teacher Centers program has had impact upon the nation's 2 million school personnel and needs to be expanded;

(4) we recommend that the Senate look carefully at the need to coordinate existing categorical programs, which have educational personnel development components, with those that are included in Title V of the Higher Education Act; and,

(5) finally, we believe that considerable attention needs to be given to the professional development of educational administrators.

Our statement today will focus primarily on the need for these programs as they relate to the nation's schools, colleges and departments of education.

Since 1917 the Federal government has invested resources in the development of a successful teacher education system in the United States. We believe that those interventions in the form of fellowships, summer training institutes, curriculum development and reform movements, faculty development investments and awards for management training have been enormously successful in training the nation's teachers, counselors, administrators, supervisors and other support personnel. In the 1950s and 60s, there were significant investments by the Federal government: (a) in a relatively large-scale educational research and development program through the Cooperative Research Act and the National Institute of Education; (b) there were significant investments through EPDA in the development, demonstration and testing of different models of teacher training; (c) there were substantial investments, through NDEA and NSF in summer institutes and faculty development programs; and (d) there were relatively large-scale investments in fellowships and loans for prospective teachers, particularly through NDSL. These Federal investments were paralleled by state and local government resources and private philanthropy which helped to erect buildings, expand library collections, develop faculties and expand student enrollments. Two decades of Federal government initiatives resulted in an enormous investment in the physical and human capacity of schools of education to prepare school personnel for the nation's schools.

Recently, however, either consciously or through erroneous over generalizations of teacher over-supply, there has been a significant decline in Federal support for and interest in the nation's schools, colleges and departments of education. This has occurred at exactly the time that a national assessment and many other studies on children and youth achievement scores have indicated a higher decline percentage in achievement of elementary and secondary students in the United States. Many teachers have felt insecure and unable to cope with the effective behavior of students and the pressures of organizational requirements. While many have been content to accept the assumption that categorical investments in training awards for preservice teacher education and state grant programs with percentage setasides for inservice training would suffice, such monies have not addressed the problems of discipline, new technologies, psychometric techniques and application, competency-based programs, or the increased involvement of parents in the teaching process, etc.

In light of the enormous desegregation, special education, compensatory education and compulsory education problems that exist today, along with the financial crisis from property tax reassessments, we would assert that the Federal government has an important role to play in strengthening the capacity of educational personnel in the present and future societal context. We assert that the nation's schools, colleges and departments of education should be, as a result of past investments, at the core of any such strengthening efforts and that Federal intervention strategies for developing an educational personnel development system need to be both maintained and strengthened. We believe the system of personnel development made up of a host of federally supported activities and agencies needs to be better coordinated to achieve the purposes of quality school improvement and that a rational strategy--involving schools, colleges and departments of education, the various resource centers funded through the categorical programs, the National Dissemination Network, the Educational Research and Development Laboratories and Centers and the host of training programs offered through State Education Agencies--must be examined as to their capacity and efficiency in meeting the personnel development needs of teachers and others who serve the nation's children and youth.

TEACHER CORPS/TEACHER CENTERS

Over the past few years a variety of different research and demonstration studies funded by the Federal government have begun to point directions for the conduct of effective inservice teacher training. Time after time, these studies have shown that training administered to individual teachers for the purposes of increasing their rank or salary or even for letting them know about some new technique, has very little bearing on their classroom effectiveness or on student learning outcomes. In contrast, the research of Shep White and his colleagues at Harvard indicates that a critical variable in program effectiveness is the training of teachers in the purpose and strategies of the project. Training administered to the school staff in project goals turns out to be significant. This implies a partnership between teachers, the school system, the trainers and the conduct of the project.

The one Federal program for staff development that most demonstrates this strategy is that of the federally funded Teacher Corps program. While that program was originally developed with an emphasis upon preservice, it is currently completing two years of transformation. In essence, it provides assistance through competitive grants to enable teacher training institutions to work with local education agencies to provide school staff improvement programs. The school in this case is the unit of improvement. The project purpose is to improve schools for children from economically disadvantaged backgrounds. It is premised on the belief that the support mechanisms are needed to help the teacher, the principal and the parent work together in meeting the changing and organizational needs of the local community. A major study by the Stanford Research Institute is currently underway which we would predict would demonstrate program effectiveness for this strategy for personnel development. We believe that Federal support for this type of local staff development provides leverage for other Federal efforts to improve educational effectiveness and urge its reauthorization and continuation.

The Teacher Corps, with its focus on school-staff inservice education, is paralleled by a complimentary program which has commanded the attention of the teacher organizations and the Congress since its authorization in 1976. The Teacher Centers program is a complimentary way of providing school staff development opportunities. It is premised on the belief that individual teacher's needs can be met by service units immediately accessible to teachers. These units are designed to provide help on a one-to-one basis within as short a time as possible. We believe that this program needs to be retained and strengthened. We do suggest, however, that in the near future a federally funded evaluation of this strategy for staff development needs to be mounted relative to the most effective and efficient way of delivering inservice help to the classroom teacher.

We have specific recommendations to make relative to the teacher centers program. We would hope that the legislation this Subcommittee reports would parallel that offered by the House Committee on Education and Labor last week (H.R. 5192). In substance and detail we strongly support H.R. 5192's reauthorization of the Teachers Center's program. We believe that the efforts to strengthen the relationship between institutions of higher education and local education agencies relative to Teacher Centers is imperative. Having higher education as a partner in the grant application reflects the reality of the program in its first two years.

ADMINISTRATOR TRAINING

While neither the Teacher Center nor the Teacher Corps program explicitly excludes the training of principals and other school administrators we are aware that few, if any, programs exist for the professional development of educational administrators. As noted by my colleague, the principal has been isolated as the most important contributor to the successful operation of the school. Therefore, we urge this Subcommittee to add a discretionary authority to Title V of the Higher Education Act to permit training to facilitate both the entry and the mid-career professional updating so vitally important for principals, superintendents and other school managers. We believe that such authority should be general in nature to allow for the development of skills in management, budgeting, staffing, organizational planning and, most important, instructional leadership. We would urge that a program be enacted to provide funds to combinations of local education agencies and schools of education, to provide the kinds of mid-career and entry-level training programs that would be most beneficial to the principal, the school and the local community.

COORDINATION OF PROFESSIONAL DEVELOPMENT PROGRAMS

While Titles IV and V of the Elementary and Secondary Education Act (PL 95-561) mandated comprehensive plans for personnel development in each of the states no resources were made available to the state education agency to undertake this role, and preliminary data would indicate that a great unevenness exists in the types of planning activities and coordination efforts. We propose that efforts need to be made to provide financial and technical assistance to the State Education Agencies which desire to develop and implement those comprehensive state plans. We believe that such resources must serve as a link between schools, school districts, teacher associations, State Education Agencies, and schools of education.

At the Federal level, we would encourage the creation of a federal council on educational professions development, similar to that mandated for Educational Research and Development through the last reauthorization of the Higher Education

Act. We believe that such a strategy in which the Deputy Commissioner for the Bureau of School Improvement identifies inconsistencies, overlaps and redundancies in professional development programs administered by the Department, makes legislative recommendations and reports to the Congress offers a better approach than the procedure suggested by the Kramer amendment to the House version of the reauthorization of the Higher Education Act (H.R. 5192). The creation of a new bureaucratic entity, to be known as the "Office of Education Professional Development" would seem less advisable than the Federal Council made up of representatives of the Federal agencies engaged in personnel development relating to education. This proposal would enable State and local authorities and the Federal government to attain an effectiveness of administrative coordination of programs designed to train school personnel. It would leave whatever consolidation of training monies needs to be achieved to State and local agencies.

SCHOOLS OF EDUCATION ASSISTANCE ACT (S. 360)

The purpose of Sen. Williams' bill, the School of Education Assistance Act of 1979, is to improve the education of teachers in our higher education institutions through a program of retraining existing staff to work in areas of emerging national need in the schools, in job training agencies, in business and industrial settings and in a variety of new human services areas. Part of this act is also directed toward the development of alternate career programs for elementary and secondary school teachers who are underemployed or who will be unemployed as a result of the demographic of a shrinking school-age population. The Williams' bill anticipates the need to cut-back various teacher education programs and strengthen the quality of smaller programs through the efforts of consortia. Such consortia would enable institutions to emphasize mission diversity, consolidate small programs, share resources and personnel in order to work cooperatively and avoid the dangers of wholesale competition for the scarce pool of students.

There are 1240 programs in teacher education represented in approximately 72 percent of all of our four-year institutions of higher education. Although enrollments in preservice programs have already decreased by some 40 percent, since the peak years of 1971-72, it is apparent that enrollments may continue to fall by as much as 25 percent more in the next few years. The depression of the job market, the relatively low pay and esteem held for teaching, the desire of many women to break the sterotype of education as a career, and the critical decline of college-age youth in the 1980s portend a bleak future for our nation's schools, colleges and departments of education. Because the decline in enrollment in elementary and secondary programs has been going on for some time, we have gone beyond the "reduction-in-force" effects of retirement and attrition. A good portion of our faculties were hired in the growth period of the late 60s. They are currently in mid-career. Their social and intellectual resources should not go to waste. We know there will be further cut-backs and demands for cost-cutting operations in teacher education programs at our nation's public and private universities. It is predicted that many smaller privately run programs will close. This comes at the very time when the public is demanding excellence, relevance, and documentation that what goes on in schools of education matters in the performance of teachers, the outcomes of schooling and the behaviors of children. The expectations of the public for a demonstration of quality in teacher education programs are echoed in the Gallup polls, in the national media and in the complaints and criticisms of its very graduates. We currently witness an unprecedented attack by the public on the preparation of teachers. There is no question that our teacher education programs need to be improved and soon, and this is one purpose of the Williams' bill.

The Schools of Education Assistance Act also proposes what Peter Drucker terms Redundancy Planning. It anticipates the impending obsolescence of a work force and applies strategies of retraining and redefining roles for personnel before the situation becomes destructive. Its intention is to put a limited amount of dollars to work for a limited time to enable these important institutions to increase their quality and responsiveness to the present and future while scaling down in teacher education size. The legislation anticipates the educational needs familiar to those associated with the training dimensions of youth employment, human service agencies, the training needs of business and industry and the special educational needs of our urban centers. It capitalizes on the potential of schools of education to meet these needs by providing supporting resources.

If planned, implemented, studied and evaluated properly, the experiences of schools of education in the management of decline and protection of human resources could be useful in the impending management of decline in other professional schools and departments of universities.

We urge the Subcommittee to consider the way that Congressman Ford and Weiss included portions of the House's companion bill for S. 360 in H.R. 5192. We believe, however, that there is need to look seriously at Sen. Williams' entire bill, particularly because of the research and evaluation sections that were deleted from the House measure. This research and development piece, that is included under Section VIII of Sen. Williams' bill, would facilitate the examination of the various types of faculty development and the ways that schools of education acted to improve their programs, redirect their missions and managed program decline constructively.

We would note that H.R. 5192 suggests the need for these planning grants to be made through the appropriate State education agency as a way of enhancing that agency's overall coordination. We are not adverse to the inclusion of this provision.

We believe that one of the highlights of Sen. Williams' bill is the mandate for the Assistant Secretary of Education to have FIPSE assist in planning for the diversification and redirection of courses of study for elementary and secondary school teachers to help them use their teaching skills to provide social services from emerging new social needs.

We believe that the authorization of appropriate levels given in S. 360 are nominal and merit the attention of this Committee but do call to your attention the way that the House has called for the funding of this provision under H.R. 5192.

CONCLUSION

Finally, let me reiterate: We believe that the programs presently included within Title V of the Higher Education Act are significant and need to be maintained, strengthened and expanded; that there is need for the coordination of existing authorities within professional development components through a new Federal Council; that an administrator training program needs to be added;and, the Schools of Education Assistance Act should be an integral part of Title V. It is with particular urgency that we point once again to the capacities and capabilities of schools of education. These institutions represent a past investment by the public in terms of programs, personnel, libraries and faculties that can and must be called upon to respond to new social purposes. The uncertain challenges of the 1980s and the changing demographic and social needs of that decade portend serious problems if we further dismantle capacities of schools of education to respond. It is for this reason that we believe that there is great potential and significance in the proposed Schools of Education Assistance Act. This legislation provides institutional support, addressed at mission reorientation and is the type of legislation needed to meet the alternative missions appropriate to a large segment of our higher education system.

Thank you for this opportunity to share these recommendations with you.

Senator PELL. Thank you.

Dr. McMahon.

Dr. McMAHON. Thank you. I would like to express my appreciation for your graciousness in having us here. I would also like to reinforce what Dean Griffiths has said from the perspective of an administrator of a school of education in support of the school of education assistance component.

Rhode Island College, 7 years ago, had 70 percent of its undergraduates in teacher education. This year our freshman class has 20 percent. We have, largely by cutting and pasting and putting things together, redirected the energies of our faculty in teacher education. We have as great a course enrollment and credit hour production as we did when we had 70 percent in teacher education, but we have done this because we have converted, for example, our counselor education into rehabilitation training and agency counseling. We have added to our early childhood program, which was largely school based, a day care program. In cooperation with the Department of Social and Rehabilitative Services, we have trained day care mothers, and we plan to train foster parents, In special education, we have redirected our energies toward inservice training so, at this point in Rhode Island, we have prepared 36 percent of the teachers in the State for mainstreaming under 94-142. We have gone heavily into bilingual education. This past semester, we set up a reading academy to train teachers how to train illiterate adults. There is a redirection of our teacher education faculty, but we need to do much more. We need to, for example, mainstream our elementary education faculty in the direction of special education, and this is the kind of thing that could be done under the School Assistance Act.

Our teachers have had experience with teacher corps and with teacher centers. Rhode Island had a national model for teacher centers. We at RIC have had two teacher corps projects.

From my expertise, these have been extremely effective and I would argue in all of the legislation supporting these activities that what we should look for is collaboration between the various sectors of education. There has been a good deal of research done in inservice training and on successful projects where pupils outcomes are positive. Two of the six critical variables in inservice training are that you train the teachers in the strategies and objectives of a particular project and that you train the staff of a school as a unit. This is what is effective.

What this implies clearly is that what we need is a partnership, a legislative partnership, between teachers, the school system, institutions of higher education, teacher organizations, the community and parents in the training of teachers.

One of the things I think we must not lose sight of is the significance of research in inservice education. This is a problem every field has. Yesterday, Rhode Island College opened a new school of social work, and the main speaker spoke about the problem of relating social policy, which is one part of the function of social work, to social practice. The same problem exists in education, although we are fortunate. We are an older profession and, therefore, we have made some of those transitions more effectively.

We know a good deal from educational research. We know, for example, what strategies are effective in teaching primary children. We know what is effective in teaching children. We know that time is spent in instruction, rather obvious perhaps, is a critical variable in the effectiveness of instruction. So I would say that in terms of inservice education, the role of the Federal Government in bringing these parties together is critical. One project that we see which has this kind of ecumenical characteristic to it is the Teacher Corps project We would argue for support, continued support, and expansion of that project.

A complementary project is the teacher center project, which has a different focus and some different emphases, but again we would argue that it performs an important function. We commend to your attention the language of H.R. 5192 which seeks collaboration in the teacher center project between institutions of higher education, teacher organizations, the community, and parents.

I would say in closing that programs in teacher education and inservice education will be as effective as the links that exist between the various partners. The Federal Government should encourage the use of existing resources in institutions of higher education, teacher organizations, the community, school systems and the like, and, in that way, we will be able to meet the inservice needs that exist.

Senator **Pell**. Thank you very much, Dr. McMahon.

Dr. **McMahon**. If I might introduce to you Dr. James Gant, who will speak on administrative training.

Senator **Pell**. Dr. Gant, welcome here.

Dr. **Gant**. Thank you very much for having us. I am dean of education at Florida State University in Tallahassee, Fla., and those of us in the South cannot do as much with 5 minutes as my eastern colleagues. We do not usually talk as fast as they do, but I would try to see if I can make two points in support of the Williams bill.

The two points are: administrative training, which would add a discretionary authority to title V, to permit training to facilitate entry as an administrator, and also training for administrators in midcareer. We can only do this, however, if colleges of education are able to gear up to be a part of this.

The second item that I would like to talk about is coordination. I recommend that we create a Federal council on educational profession development. This council would be similar to the educational council that was created for R. & D. in the last reauthorization.

These are the two recommendations—administrator training and a Federal Council on Educational Professions Development. Let me talk just a bit about the administrator training and why I think it is important that we develop a capacity such as proposed in the Williams bill. Administrative training is probably the most crucial factor in improving schools. We have had teacher education centers in Florida for the past 5 years. That means the schools of education are involved with districts in teacher education centers. We have had a Teacher Corps project at Florida State. We now have yearlong internships that are mandated by the State. Schools of education are going to have to gear up to be a part of this effort. The State Department in Florida has required technical assistance from colleges of education to districts. We are going to have to gear up to provide technical assistance in a new way. An executive academy has been funded in Florida for administrator training. We have all of these demands in legislation, but we, at the college level, do not have a way to adjust ourselves to meet the demands. We have a kind of a growth technology with which we have been working wherein we change by growth.

We are now declining, but we have the added responsibilities. While we have declining resources, declining enrollments, and a rather stable and older faculty, we have to do all of these new things. That is the kind of a problem that we are faced with. I think provisions in the Williams bill could help us with this problem.

I want to also talk just a bit about two things that I think would improve schools, and why we have to do some things in colleges of education in order to be able to do this.

A 4-year study was done in British schools of the good schools and the poor schools, and it was found that there was not that much difference in the personnel, there was not that much difference in the potential ability of the students, but there was a difference in what they called the ethnos of the school. That ethnos can be translated as the climate of that school, and that administrator is the key in that school. In order for us, as schools of education, to do the kind of training that we would need to do with administrators, we found that there are five things that are needed in good training.

First, you have to know what it is that they are supposed to do, so there has to be some knowledge transmission or theory. Second, there has to be a way that you demonstrate that so that people can see it done. Third, the people themselves have to have a chance to try to do it themselves. Fourth, they have to practice it in a real situation, and fifth, they have to do it on the actual job in their role. In order for us to do a good job with this, we, as a school of education, would need to be with them each step along the way.

Right now, we can only be in the first two phases of it, and we do not have the technology and cannot develop the technology alone to be in the other three phases. This is the part that Dean Griffiths has talked about, that he has been able to do some of, on his own. We have not been able to do this across the country.

I think that if we could have the kind of provisions that are in the Williams bill, we may be able to gear ourselves up to be the kind of service to the Nation's schools that we would like to be, but we find ourselves in a plight that we cannot do this at the present time. It is very, very frustrating to those of us who are deans. We would like your assistance.

For a Southern boy, I did get through on time, did I not?

Senator PELL. Thank you very much, Dr. Gant.

What the three of you are really saying is that your institutions should continue to be supported but your functions might change. Is that really what you are saying?

Dr. MCMAHON. That is correct.

Senator PELL. What sort of things would S. 360 enable you to do which you cannot do now? Would you give us an example or two?

Dr. **McMahon**. There are two aspects: One would enable us to respond to new demands within the field of education. One thing that I think is very obvious is the need for schools of education to give in service training to teachers in techniques in dealing with the handicapped, particularly the classroom teacher in dealing with mainstreaming, so it would allow for that redirection to new needs within the field which is fairly static in terms of personnel, that is, there are few personnel coming into the field.

The other thing it would enable us to do is take the educational resources that we have and apply them in other fields, such as the things that I mentioned where we took a counselor, education department, and redirected it so that the faculty is now largely working in agency and rehabilitation counseling. The only way we were able to do that was through Federal funding.

Dr. **Griffiths**. Another illustration of that is that we feel that the basic education that takes place in the school of education is applicable to a number of other settings, and we are calling this education in nonschool settings. One of the major areas in which there are great social needs now is in the aging. We have many resources with which to train people to work with the aging, but we do not have enough to make the commitment of this sort that we need. This bill would provide us with the aid to enable us to move in this direction.

Senator **Pell**. Why do you think that the Federal Government ought to step in and help you do what you will have to do yourself in order to survive?

Dr. **McMahon**. Well, many of us are in institutions where our funding is formula funding so that as there is a decline in the traditional needs for teachers, there is a concomitant decline in the support for our units. That is one of the realities under which we exist.

In order to redirect and retrain, we need resources that are not coming to us through the traditional supply line.

Dr. **Gant**. I think one of the reasons that it would be a responsibility of the Federal Government to help us with this, because I think it is not only helping those of us in schools of education—I do not think this is something that will just happen to schools of education. I think that in time all professional schools will have to face the same kinds of problems that we have now to face, and we are saying that we would be glad to be the pilot group to see if we could learn from this so that you would not have to do it each time a school, whether it be dentistry, pharmacy, or whatever school we might have that would go through this kind of problem because I think that this will not be the only professional school that will face this kind of problem. We are the first.

If we could learn from this now and the Federal Government could learn from this now, we may have a technology for helping with this kind of decline when it happens in other professional schools, and I think that is forward planning for the Federal Government.

Senator **Pell**. Thank you. We are very lucky in having both the chairman of the full committee and the author of the bill here, Senator Williams.

The **Chairman**. I appreciate that editorial comment. I do not know how lucky we are but fortunately for me, even with the change of schedule, I was able to be here even briefly for at least this panel.

It seems to me that your situation is somewhat analogous to an industry faced with changes needing capital investment and a declining income. There is no way for reinvestment when you do not have that income, and you are really in a change situation here, are you not? There are great needs out there that you can meet if you can get the capital investment to make it real.

I had written out a question earlier. Do you discern in our schools of education an interest in converting faculty and student effort to respond to new areas?

Then, when you mentioned the response to teaching for special education for the handicapped, I would gather that this is exactly the answer?

Dr. **McMahon**. Oh, yes. I think that our faculties have a natural disposition toward human services and they are extremely responsive, I have found, to a redirection in nonschool settings as well as to new needs within the schools.

Dr. **Griffiths**. The beginnings have been made in several schools of education, St. John's, Vermont, I believe Maryland, so that there is an awareness that our professors can work in these areas. I do not think it has gone anywhere near the extent that it should go, but there is a sensitivity to these problems and the knowledge that we can do something about them.

The **Chairman**. Well, I think we, with our opportunity here, certainly responded to a great unmet educational demand and that is the education of all handicapped youngsters, and that created the demand for diversified education of teachers.

Dr. **McMahon**. That is right.

The **Chairman**. And you have responded?

Dr. **McMahon**. Yes.

The **Chairman**. Are there any other areas that you could cite to us in support of the ideas contained in S. 360. We have to be persuasive with our colleagues. It is an expenditure program and, you know, it is not taken for granted that it must be established. We have to prove it and it is harder and harder around here to prove anything when there is an expenditure involved.

Dr. **McMahon**. I could talk or expand on one of the areas that I mentioned, and that is the training of day care mothers. That is one of the greatest social problems that we have—45 percent of our children who are six or below school age have no parents at home. In Rhode Island, we have a massive day care program, but the social and rehabilitative agency was really only able to insure that those day care mothers meet minimal health and safety requirements. There was no training of those mothers going on.

We have taken our early childhood faculty and worked with the Department of Social and Rehabilitative Services. We have run a program first on television and then through the creation of satellite training centers in existing day care centers. We have trained 500 day care mothers. We have trained some of them to be trainers of others.

Now, we are going to move into the foster parent area in the same way, and our faculty, in answer to your earlier question, is extremely excited about this redirection of their basic professional skills.

Dr. GRIFFITHS. A number of other areas, for instance, in the arts that have not been mentioned yet. In each of the major art areas, we are developing therapists so we have art therapists, music therapists, dance therapists, who work in homes for the aged and indigent people. In doing this, we have opened up new professions to alleviate human needs in these areas. We are also attempting to meet, in part, the need for various kinds of specialized administrators in museums, performing art centers, and other types of arts institutions.

I would also mention in terms of the day care centers that we have, for a number of years now, had a resource center for day care administrators in Brooklyn. We fund that through the Social Security Act, title XX, but these other areas do not receive aid.

The CHAIRMAN. Another example, Dean Gant, you mentioned administrators.

Now, you mentioned administrators in two connections. You had a third, did you not, Dr. Gant?

Dr. GANT. Yes, not only with the administrators, I was also thinking about the problems of public schools. The recent Gallup Poll on public education found that the number one problem in schools is still discipline. If you find real discipline problems in school, you can go back to the climate of the school, you can go back to the administration of the school, you can go back to the community support of the school. Those three things, you can find where those problems start.

We could help with discipline, climate, parent support through administrator training. If we could redirect ourselves so that we did not have to use the resources just to maintain programs that were on campus, and we were able to get out to work in schools with administrators while they are on the jobs, we could improve discipline.

One of the problems that we face right now is trying to train administrators before they becomes administrators. We attempt to train teachers to become administrators. They then go back to school in the role of the teacher and start trying to learn about becoming a principal. But we do not have a way in which we can give training once they are in the role of principal and on the job.

Those five steps in the training process that I talked about, it is only when you can get to that fifth step of training while the person is in the role that you can get 90 percent of the people to do that, which they have been trained to do. When you go through only the other four steps, the research shows then although people will know it, they will know how to do it, less than 50 percent of them will actually do what they have been trained to do. So we have to find a way to redirect ourselves in such a way that we can work with administrators in schools.

Another tremendously important problem to America today is unemployment of youth. Youth unemployment.

We are not in a position that we can help CETA in the way that we have the capacity and competence to do. We have the competence, not the capacity to help at the present time. This is a national problem of unemployment for youth. If we could find ways of redirecting ourselves we could be able to help with those problems. We may be saving money in that we may spend the money on training rather than spending it on delinquencies and prison sentences. These are the kind of things that would be exciting for us to do if we could sort of unshackle ourselves enough to do it.

We are in sort of a position like an industry that wants to put out a new model car. They stop, put the research money in, recast all of the machines. In human services, we can never stop. We must continuously work and we are sort of in that bind right now in that we would like to sort of change around, but there is no time or resource in which to stop and recast the machine so that we could put out a new model, and that is the frustration that we experience.

The CHAIRMAN. Excellent. Thank you.

Senator PELL. Thank you very much indeed, Dr. McMahon and gentlemen, for being with us.

Our next panel is a panel on teacher training, and we have with us Mrs. Patricia Weiler, American Federation of Teachers; Mr. Irwin Polishook, American Federation of Teachers; and President James McCormick, Bloomsburg State College, Pa.

I would like to relay Senator Schweiker's regrets that he cannot be here at this time. He is in a markup session, or otherwise he most certainly would be here with you.

Let us now carry on.

STATEMENTS OF DR. IRWIN POLISHOOK, VICE PRESIDENT, AMERICAN FEDERATION OF TEACHERS, AFL-CIO; AND PATRICIA WEILER, AMERICAN FEDERATION OF TEACHERS; AND JAMES McCORMICK, PRESIDENT, BLOOMSBURG STATE COLLEGE, PA., A PANEL

Dr. POLISHOOK. I am Irwin Polishook, vice president of the American Federation of Teachers, also president of the faculty union at the City University where we represent 14,000 instructors and a professor of history at Lehman College at City University.

I would like to present some testimony about the Higher Education Act, and Pat Weiler, on my right, will speak specifically to the matter of the teacher centers.

Mr. Chairman, the American Federation of Teachers, AFL-CIO, welcomes the opportunity to present our views on the Higher Education Act. As you know, the AFT is the largest representative of college faculty members in the United States. More than 75,000 AFT members teach in our Nation's colleges and universities and the AFT is the exclusive representative for the faculties of public systems in New York, Illinois, Florida, Pennsylvania, New Jersey, Vermont, as well as representing individual colleges all over the Nation.

The actions contemplated by this subcommittee and the actions taken in the past have profound effect on the health and effectiveness of our higher education system. We note with appreciation and respect the landmarks in higher education already achieved by your legislative work.

The basic education opportunity grants program, which we call in our office sometimes the Pell grants, has made a college education affordable for thousands of students who might not otherwise be able to pursue higher education, and has eased the burden of middle-income families faced with choices between necessities and higher education. Other grants and the loan program have clearly provided the means for a college education to many. And while we are not in favor of all aspects of the loan program, we do acknowledge continuing necessity for loans in financing higher education, and especially higher education.

We also commend the fine work by this subcommittee in 1976 with the establishment of the teacher center program. The AFT has many higher education concerns, and it would be impossible to spell them all out at this hearing. I have presented a larger statement of our interest in the written testimony and I will try to capsulize that, if I may, and I would be pleased, and Pat would be pleased, to respond to any specific questions you might have.

In the matter of title I, we believe that title I should become more active with respect to its educational service, especially to adult learners, workers, to women, and to minorities. It is essential that this title be fully funded and that its approach become more useful with respect to populations of people that are prepared and ready for higher education.

With regard to the student loan provisions of this legislation, we want to make clear that while we endorse most of the content of the current legislation, as well as its intent which is to increase educational opportunities for students, we do so with some reluctance and with one general set of reservations that I would like to present.

These reservations are based on the extent to which these programs, the loan programs, offer incentives to the States and to institutions of higher learning to increase their cost, to pass along, in effect, or transfer to the student or to the State, the advantages gained by different loan programs of the Federal Government. It also encourages the notion that students should bear even greater responsibility for their higher education expenses than is now the case.

We think this program is a significant investment in human capital with profit to the society at large as well as to the individual. We also think higher tuition and costs drive down enrollment among those portions of our population which are most in need of higher education; namely, the minorities and the poor.

The American Federation of Teachers support the full funding of the student aid programs, particularly the BEOG grants, the SEOG grants, national direct student loans, State student incentive grants, college work study, and guaranteed student loans. These, we think, are essential. We are especially pleased to support the proposal for phasing out the half-cost provisions of BEOG which we think discriminates against low-income students attending relatively low cost public institutions.

We are also pleased to support especially the Urban University Act or that portion of the proposed legislation in the House that gives support for urban grant universities, and we strongly support with the AFL-CIO the elimination of the subminimum wage which is now payable to students. We think, and here we have a difference with the current administration, that categorical program should be extended and not cut back.

I want to conclude my brief capsuled version of our testimony, at least my part, by calling attention to title VI, and it might serve as an indication of our whole approach to the Higher Education Act and its many provisions:

Title VI, refers to foreign studies and language development. This, we think, is essential, and this, we think, should be expanded. There are two approaches which we suggest in our testimony, in the larger written testimony with respect to foreign studies and language development. In both cases we think that these approaches would be best achieved within the schools, within the public institution. With regard to encouraging foreign languages and foreign language development, there is a perception abroad that our country is declining as a world power. We believe one of the reasons this perception is because our students have less and less competence in foreign languages, and we think that the atmosphere is right here in this particular provision as well as other provisions to make investments in human capital, in people, which will make our country greater and greater.

Senator **Pell**. Thank you very much.

I would add that your statement will be entered in the record.

[The prepared statement of Dr. Polishook follows:]

TESTIMONY OF
Dr. Irwin Polishook, Vice President
American Federation of Teachers, AFL-CIO
Before the Senate Subcommittee on Education
On The Higher Education Act.

Mr. Chairman and Members of the Committee:

The American Federation of Teachers, AFL-CIO, welcomes the opportunity to present our views on the Higher Education Act. As you know, the AFT is the largest representative of college faculty members in the United States. More than 75,000 AFT members teach in our Nation's colleges and universities and the AFT is the exclusive representative for the faculties of public systems in New York, Illinois, Florida, Pennsylvania, New Jersey, Vermont, as well as, representing individual colleges all over the Nation.

The actions contemplated by this Subcommittee and the actions taken in the past have profound effect on the health and effectiveness of our higher education system. We note with appreciation and respect the landmarks in higher education already achieved by your legislative work.

The Basic Education Opportunity Grants program has made a college education affordable for thousands of students who might not otherwise be able to pursue higher education and has eased the burden of middle-income families faced with choices between necessities and higher education. Other Grants and the Loan program have clearly provided the means for a college education to many. And, while we are not in favor of all aspects of the loan program, we do acknowledge a continuing necessity for loans in financing higher education.

We also commend the fine work by this Subcommittee in 1976 with the establishment of the teacher center program. While teacher center programs are still a small struggling federal program, the concept is now established and it is our hope that in time these benefits can be extended to teachers all over the country. We know that this Subcommittee shares that goal.

TITLE I

The AFT has many higher education interests; it would be impossible to spell them all out no matter how much time we had. For example, Life-Long Learning. The program, that is currently on the books, has simply not attracted enough support in its current form in part because of the massive pressures on the federal budget. We believe that an effective response to these pressures would be to create a program that would reach-out and tap the funds already available nation-wide for continuing education. Many programs have been negotiated by unions to cover their members educational costs. Testimony given to the

House Education and Labor Committee indicates that there are at least 198 current plans in existence with more being negotiated each year and that these plans provide a potential of more than $200 million for this purpose. It is our belief that channelling this large amount of private sector dollars into a coherent plan will do more to advance life-long learning opportunities than anything currently on the books. It can be especially significant if such plans were uncovered and publicized in conjunction with programs offered by existing educational institutions. A small amount of federal seed money could be used to coordinate the putting together of programs, dollars and students.

As with many other federal programs, a relatively small amount of federal money can trigger benefits far out-of-proportion to the amount of federal investment. This is just a concept but we believe the Subcommittee should examine it seriously as it begins its Reauthorization of Title I of the Higher Education Act.

With regard to the student loan provisions of this legislation, we would like to make it clear that while we support most of the content of the current legislation as well as its intent (which we believe is to increase educational opportunities for students) we do so with some reluctance and one major principle objection.

This objection is based in the extent to which such loan programs offer incentives to the states and the institutions to increase their costs; encourage the notion that students bear even greater responsibility for their education expenses than is now the case; and therefore, drive down enrollments among those portions of our population which are in most need of higher education, namely, the minorities and the poor.

There has been much contradictory and often confusing data offered as to the real impact of federal student aid dollars on the achievement of the goals of equality of access and opportunity within higher education. Because of this, we fully endorse the establishment of a "National Commission on Student Loans" and urge that the utmost care be given to assure that appointees to this body be representative of those constituencies most effected by the spectre of spiraling increases in college costs. We would assume that the first order of business of this Commission would be to make an assessment of the effect of this legislation upon students from families of all income brackets, as well as to develop a realistic definition of what it constitutes to be a "needy" student in these inflationary times.

We would also expect the Commission to develop mechanisms which would encourage both the institutions and the states to maintain their current levels of support of student assistance programs so as to insure that the entire burden of a student's educational cost do not become transferred to the student or the federal government in this entirety. In the interim, we support the maintenance of current programs as provided in this bill. We oppose steps to increase interest rates to loan users as a step toward student loans out of the reach of lower-and middle-income families.

The American Federation of Teachers supports the full funding of student aid programs; the Basic Educational Opportunity Grants, Supplemental Educational

Opportunity Grants, National Direct Student Loans, State Student Incentive Grants, College Work Study and Guaranteed Student Loans are essential. We especially support the phasing out of the "half-cost" provision of the BEOG which we feel discriminates against low-income students attending relatively low-cost public institutions as well as the increase in size of the maximum BEOG grant to $2700 by 1980.

The Urban Grant University Act is one of the most promising federal initiatives in higher education--and in solving the Nation's urban problems. It would encourage colleges and universities to become intricately involved in assisting cities by applying their human and knowledge resources to the solution of urban problems and to the proffering of urban public services.

Categorical aid should be extended rather than elimintad. We also support the categorical aid program for colleges and universities depending on federal support: college library grants, library training and research, community services, and continuing education,public service fellowships, mining fellowships, law school clinic experience, education information centers, state post-secondary commissions and career education.

We also strongly support the recommendations that the minimum wage be paid to students working under the College Work Study Act. Students now working in colleges and universities for such private businesses as fast-food establishments and the like are paid subminimum wages and have no protection against such exploitation under the law. In addition, the AFT opposes the extension of college work study jobs to the private sector. Such a development would inevitably result in the displacement of full time workers and a windfall to private sector employers who would receive a federal subsidy for their payroll.

TITLE V:

Teacher Center Program

We strongly endorse legislative provisions that guarantee teachers a majority voice on teacher center policy boards. We are supportive of the criteria for proposal selection that gives weight to evidence of teacher involvement in teacher center design and implementation. It is our firm conviction that this emerging program needs stability during this first funding-cycle. Therefore, we suggest that changes that would significantly alter the legislation should be scrutinized to determine their long-range effects.

We propose a five-year funding-cycle for teacher center projects that would include a one-year planning period. This recommendation is based on the evidence collected from the teacher centers funded by the Teacher Center Program. The planning year will provide time for policy board members and the director of the project to develop a cooperative working relationship and design program activities that realistically meet the needs of the teachers in the service area. Many of the documented start-up problems that arose during the past year could have been avoided by this planning stage.

We recommend a five-year cycle to insure the time for institutionalization of the teacher center after federal support has emerged because of the collaborative efforts of teachers, administrators, university faculty and school board members. This unique element that exists in the governance structure of teacher centers must be given time in order to achieve a significant impact on teachers and students.

The extension from three to five years is not without precedent in federal programs. We point to the Teacher Corps Program as one example. Historically, districts have not placed in-service education on the list of priorities in the education budget, so we recognize the fact that a shift in emphasis must be given a reasonable length of time to bring about lasting results. Commitment to teacher in-service education and teacher centers will be insured if the positive effects are evident within a district and schools are turned around because of this success factor.

In line with these objectives, we also recommend that the five-year funding period apply to the teacher center projects presently funded by the U.S. Office of Education, to insure the successful institutionalization of those projects already in existence.

Teacher Corps Program

We applaud the significant contribution of the Teacher Corps Program to the improvement of teacher preservice and in-service education. We support the increased efforts to disseminate information and studies that focus on successful projects, instructional techniques and strategies that have been generated by Teacher Corps specialists.

Community Council

We urge consideration of a more collaborative framework for the community council which is elected "to assist the local educational agency or the institution of higher education or both in the planning, implementation and evaluation of projects..." Since the local School Board members are the elected representatives of the citizens in the district, School Board members should serve with other community representatives on the advisory group. We recommend that the Community Council be replaced by a School Community Advisory Group. Elementary and secondary teacher representatives would serve with School Board members in an advisory capacity to the local educational agency. This group would not have veto power.

Beginning Teacher

During the past decade, the American Federation of Teachers has supported the concept of an internship program that would provide assistance to new teachers. It is in this same spirit that we propose that a new section be added to the Teacher Corps legislation that would provide funds for support for BEGINNING TEACHERS. This support program should serve the BEGINNING TEACHERS in the Teacher Corps Schools in particular because of the complex problems facing them in their new professional role. We recommend further that this program be extended to other non-Teacher Corps Title I Schools. BEGINNING TEACHERS in all Title I schools could be supported in their early professional development by such a program.

Funding would be used for released time for consultation, work with experienced teachers in the teacher center and observation in classrooms managed by successful teachers. The project would be guided by an Advisory Board which would include representatives from the school board, the teacher organization and institutions of higher education. Their function would be to act in an advisory capacity.

During this time of declining enrollment and greater stability among school staffs in elementary and secondary schools, we recommend that the ratio of five experienced teachers to one should be changed to ten experienced teachers to one new teacher.

We recommend full funding for both Teacher Centers and the Teacher Corps program. We congratulate this Subcommittee for the time you have put into this hearing and into the study of these issues. On behalf of the American Federation of Teachers, I wish to thank you for this opportunity to testify.

The American Federation of Teachers believes that the kinds of programs supported by Title VI -- Foreign Studies and Language Development, are essential if we are going to build our national capability to deal effectively abroad on a variety of problems. There are two basic approaches which we feel must be included here if these programs are to have an impact. One involves increasing positive attitudes toward language study and international study by increasing the capabilities of elementary and secondary school teachers in these areas. The second has to do with expanding the attention given to the American labor movement with programs for language and international study.

The perception that our status as a world leader is declining should mean that the atmosphere is right for initiation of a major legislative thrust emphasizing international and language studies. At the level of elementary and secondary education, concern for educational quality and standards should enable us to enrich the curriculum with language studies and solid substantive concentration on issues that require international understanding. We believe that one of the best ways to begin creating support for these areas is to broaden the knowledge and capabilities of American teachers:

- Language training ought to be offered on a broad scale to all types of teachers. In order to create respect and interest in the study of language, its pursuit should not be restricted to the domain of language teachers. Teachers who know and appreciate foreign languages will serve as role models to their pupils to do the same. Language teachers who are currently faced with declining interest in language study could be used to staff such programs.

We believe that if such programs were organized in relation to professional exchange and other international programs, they would encourage teachers to learn about education and other issues abroad. This would ultimately have a carry-over effect in classrooms, since international learning among teachers will tend to stimulate the treatment of international issues in classrooms. The fact that teachers have summer time and tax benefits tied to study make it likely that such programs would be used.

- Exchanges of teachers based on the teaching of language. These exchanges would be one way to facilitate language teaching and at the same time encourage international education. American teachers could teach English in France, for example, and French teachers could teach French here. Exchanges could be for a specific amount of time and on a one for one basis so that no job losses would occur in either country.

Relating exchanges like these to broader programs involving seminars and visits would enable American teachers and foreign teachers to learn about the educational systems, institutions, political processes and history of their respective countries. Such exchange programs could be open to language teachers, since they know the techniques of language instruction, but they might include some other teachers who were willing to develop language instruction skills through inservice courses, and who had facility in another language.

The value of such programs would be in their many possible accomplishments. We could help raise an interest in language instruction here; promote cross-professional understanding; encourage international relationships between teachers and their organizations; generate an interest in the substance of international studies; and develop a group of teachers who could pursue all of these things once they came back to the United States.

- Language training ought to be offered to labor leaders, business representatives and the general adult population. Since language teachers are available, the schools should be granted a first priority in terms of administering such programs.

We believe that the schools offer an ideal site for such training because they are community-based. The fact that the schools made these offerings would also have a carry-over impact on school-aged children by demonstrating the importance of language study.

We also hope that the crucial role of the American labor movement will be recognized in programs sponsored through this legislation, and that labor organizations will be recognized as capable conveyors of the interests of America abroad when it comes to futhering language and international study.

opeiu#2
aflcio

October 3, 1979

Senator **Pell**. Mrs. Weiler?

Mrs. **Weiler**. I would like to thank you for the opportunity to testify today.

The American Federation of Teachers has been involved in teacher center projects and in-service projects such as the in-service program in Rhode Island through the AFT Teacher Center Resource Exchange.

We strongly endorse legislative provisions that guarantee teachers a majority voice on teacher policy boards. We are supportive of the criteria for proposal selection that gives weight to evidence of teacher involvement and teacher center design and implementation. It is our firm conviction that this emerging program needs stability during this first funding cycle. Fiscal year 1980 is the second year of funding for the Office of Education of teacher centers.

We propose a 5-year funding cycle for the teacher center projects that would include a 1-year planning period. This recommendation is based on the evidence collected from the teacher centers funded by the U.S, Office of Education, the teacher center program, and especially the documentation by the teacher centers that received planning grants.

The planning year will provide time for policy board members and the directors of the projects to develop cooperative working relationships.

We recommend a 5-year cycle to insure the time for institutionalization of the teacher centers after Federal support has emerged because of the collaborative efforts of teachers, administrators, university faculty, and school board members. This unique element, the collaboration that exists in the Government structure of teacher centers must be given developmental time in order to achieve a significant impact on teachers and students.

The extention from 3 to 5 years is not without precedent in Federal programs.

We point to the Teachers Corps program as one example. Historically, districts have not placed in-service education on the list of priorities in the education budget, so we recognize the fact that a shift in emphasis must be given a reasonable length of time to bring about lasting results.

In line with these objectives, we also recommend that the 5-year funding period apply to the teacher center projects presently funded by the U.S. Office of Education. This is to insure their successful institutionalization. We see teacher centers counteracting the negative atmosphere that presently surrounds the schools. Through sharing successful practices, teachers, together with other educators, can effect student achievement. Research, that often has been out of the reach of classroom teachers, is one component of a number of teacher center projects. Research results are also being translated and distributed in teacher center publications.

In the Teachers Corps program, we applaud the significant contribution of the Teacher Corps program to the improvement of teacher preservice and in-service education. We urge consideration of the change of the community council to a school advisory council. This would include school board members and also representatives from the school staff, both elementary and secondary teachers.

We also urge beginning teacher components. During the past decade, the American Federation of Teachers has supported the concept of an internship program that would provide assistance to the teachers. It is in the same spirit that we propose that a new section be added to the Teachers Corps legislation that would provide funds for support for beginning teachers. This support program should serve the beginning teachers in Teachers Corps schools, in particular, but also we ask that this be extended to all title I schools.

Beginning teachers in all title I schools could be supported in their early professional development by such a program.

Funding would be used for released time for consultation, work with experienced teachers in the district teacher center, and observations in classrooms managed by successful teachers. The project would be guided by an advisory board which would include representatives from a school board, the teacher organization, and institutions of higher education.

We recommend full funding for both teacher centers and the Teachers Corps program. We congratulate the subcommittee for the time you have put into this hearing and into the study of these issues.

On behalf of the American Federation of Teachers, I wish to thank you for this opportunity to testify.

Senator **PELL**. Thank you very much.

President McCormick.

Dr. **McCORMICK**. Good afternoon, Mr. Chairman, members of the staff and guests. I am James McCormicks, president of Bloomsburg, State College, Bloomsburg, Pa.

The testimony I shall present concerning titles V and IX of the Higher Education Act of 1965 is on behalf of the Pennsylvania Association of Colleges and Universities—PACU—which is comprised of 116 public and private institutions of higher education. The recommendations in my testimony were developed by a PACU task force broadly representative of the public and private sectors.

I also would want the record to show that in reviewing this testimony last evening and today, I noticed that there are some additional changes that we would like to make within this 2-week period.

I think I would summarize this 10-page paper very quickly by suggesting that we would like to recommend a new section be added which would be entitled "General Provisions." This new section would be designed primarily for coordination and it would assist Federal, State, and local education agencies to coordinate and utilize the available resources. It would encourage State and local education agencies to develop comprehensive and systematic plans for improving the quality of school staff development programs; and it would provide financial assistance to State and local education agencies and institutions of higher education for the implementation of such programs.

We have spelled out in our paper some additional details. The point is to bring coordination to better serve the public.

Now, specifically, with respect to section 513, we would like to add a section that would suggest that there be arrangements made to provide some additional coordination among Teachers Corps, teacher centers, and institutions of higher education. We believe this will promote a closer collaboration of schools, teachers, teacher organizations, and schools of education in carrying out the objectives. Also, in section 532, we would like to suggest that institutions of higher education be included in the language. We have been very specific in our paper.

Now, I would like to comment just briefly on the Williams bill. It is our view in Pennsylvania that we would encourage the passage of this bill because we believe that it will be beneficial to the public and private institutions in our States. Also, in our testimony we have a number of points with respect to graduate programs.

Now, remembering Senator Pell's admonition this morning, that we be very specific, undergirding all of Pennsylvania's testimony would be the feeling or belief that the school should be the unit of improvement in any attempt to improve education.

We also believe, as a basic principle, that personnel improvement is a crucial component. The improvement and development of our people is critical. We believe that the needs of individuals must be considered from a collaborative point of view.

We believe that planning decisions should be made as closely as they can be made to the local situation. We believe that we need to help our administrators grow in their ability to manage categorical programs. We believe that wherever possible, we ought to deliver the services of the Federal, State, and local government through the institutions and agencies that already exist rather than creating new ones.

We are pleased to have had an opportunity to testify in behalf of the Pennsylvania Association of Colleges and Universities. Thank you.

Senator **Pell**. Thank you very much. I appreciate the special quality of the points you made.

The full testimony will appear in the record.

[The prepared statement of Dr. McCormick follows:]

HIGHER EDUCATION ACT OF 1965

RECOMMENDATIONS

REGARDING

TITLE V ---------TEACHER CORPS AND TEACHER TRAINING PROGRAMS

TITLE IX --------GRADUATE PROGRAMS

PRESENTED TO:

U. S. SENATE

THE SUBCOMMITTEE ON EDUCATION, ARTS AND THE HUMANITIES

BY: DR. JAMES H. MCCORMICK

FOR: THE PENNSYLVANIA ASSOCIATION
OF COLLEGES AND UNIVERSITIES

OCTOBER 3, 1979

Good morning Mr. Chairman, Distinguished Members of the Subcommittee and Guests. I am James McCormick, President of Bloomsburg (Pennsylvania) State College. The testimony I shall present concerning Titles V and IX of the Higher Education Act of 1965 is on behalf of the Pennsylvania Association of Colleges and Universities (PACU) which is comprised of 116 public and private institutions of higher education. The recommendations in my testimony were developed by a PACU Task Force broadly representative of the public and private sectors.

TITLE V -- TEACHER CORPS AND TEACHER TRAINING PROGRAMS

Our suggestions for modifying Title V are the following:

I. Proposed Restructuring of Title V which would: 1) provide for a new General Provisions - Part A; 2) move Teacher Corps to Part B; and 3) move Teacher Centers to Part C. (Suggestions regarding Part D -- see pg. 8).

SPECIFIC CHANGES NEEDED IN THE LEGISLATION:

The following proposal does not make provision for Federal aid to regional or intermediate teacher support facilities. We would argue that such facilities are repetitive of previous Title III efforts and would represent a further layering of bureaucracy between local education agencies and State agencies and institutions of higher education.

The following principles undergird the proposed changes in Title V:

- The school should be the unit of improvement in any attempt to improve education.
- Personnel improvement is a crucial component of school improvement.
- Personnel needs are both individually perceived and organizational (role within school unit); institutions of higher education assistance should assess, improve, evaluate needs of the school as an entity, and

enhance institutional capacity through development of the entire school staff.

- Planning decisions should be made at the level closest to students.
- Administrators need generalized training in areas of school management which would be potentially applicable to any categorical program (but not tied directly to any one categorical program).
- There is a need for coordination of existing categorical programs which have educational personnel development components.
- Service should be delivered through existing agencies wherever possible (with any intermediate agencies developed and funded through state, not federal, monies).

1. Add the following new "General Provisions - Part A" to Title V.

Purpose:

a. The purpose of this Title is:

(1) to assist Federal, State and local education agencies to coordinate the utilization of all available resources for the professional development of elementary and secondary school personnel.

(2) to encourage State education agencies to develop comprehensive and systematic plans for improving the quality of school staff development programs.

(3) to encourage schools and local education agencies to develop comprehensive and systematic plans for improving the quality of school staff development programs.

(4) to provide financial assistance to State and local education agencies and to institutions of higher education for the development and/or improvement of school staff development programs.

Definition:

(a). Except as otherwise provided, for purposes of this part, school staff development means the planning, implementation and evaluation of a school based and focused school improvement program, designed by classroom teachers, school principals, and other participating school personnel, with technical assistance provided by institutions of higher education, and intended to train the entire school staff as a unit, group or entity.

Coordination of Available Resources:

(a). In order to achieve the purposes of this Title and notwithstanding any other provision of law, all Federal education-related programs will take into consideration the relationship and significance of their purposes with regard to the preservice and inservice training and/or retraining needs of school personnel, including but not limited to the preparation of leadership personnel for the education of teachers, counselors and administrators. Such programs include, but are not limited to, the discretionary programs administered by the U.S. Office of Education which have a professional development of educational personnel component.

(b). The Secretary shall provide financial and technical assistance to State education agencies which desire to develop and implement comprehensive state-wide plans for the coordination of Federal and State funds for training activities which are designed to foster generic competencies among school staffs through inservice and preservice training and leadership development.

The activities which may be assisted under this section include --

(1) The development of a comprehensive statewide program providing for the coordination of all Federal and State funds for training activities for educational personnel, based on assessed needs

for generic training among local school personnel.

(2) the development of demonstration or model local staff development programs to provide opportunities for all school personnel (including paraprofessionals and volunteers) to participate in ongoing staff development needs at the school.

(3) the design and development of plans by colleges, schools and departments of education to expand and improve their dissemination utilization capabilities as well as their ability to provide technical assistance to State and local education agencies.

(4) the provision of technical assistance and the dissemination of information relating to staff development planning and the conduct of staff development training activities by colleges, schools and departments of education.

Rationale:

Aside from the existing three pieces of legislation in Title V of the Higher Education Act, a new general provisions section would insure:

(a) more effective use of Federal personnel development funds, and

(b) greater coordination of discretionary legislation by Federal, State and local education agencies. This general provision should give the Secretary discretionary authority to urge the better coordination of educational personnel development programs at Federal, State and local levels, thereby enhancing their effect on school improvement. The Higher Education Act of 1965 makes no provision for such coordination. Disparate State and Federa. programs of teacher, counselor and administrator training are now fragmented among different categorical authorities. According to a preliminary report of the National Teacher Development Task Force each existing categorical program trains school personnel according to the needs of its own specialty and uses training designs unique to that specialty. Schools, Colleges and Departments of Education, State Educational Agencies and Local Educational Agencies need authority to pull these programs together into a coherent whole so that teachers, counselors and administrators can better master skills with potential applicability to all categorical programs.

2. Add the following new subsection, h, to Section 513

Sec. 513 (h) Supplement the contract or grant with institutions of higher education or local educational agencies whenever such unit is the recipient of both Teacher Corps and Teacher Centers project funds by such sums as necessary to promote cooperation and efficiency of operation between these two teacher training programs.

Rationale:

This will promote the closer collaboration of schools, teachers, teacher organizations and schools of education in carrying on Teacher Corps and Teacher Center programs.

3. Eliminate the dual aspects of the Teacher Centers program by encouraging institutions of higher education and local education agencies to be partners in the design, planning and conduct of teacher centers. Add an evaluation component. This involves the following changes in the legislation:

SEC. 532 (a) (1) The Commissioner is authorized to make grants to local education agencies and institutions of higher education in accordance with the provisions of this section to assist such agencies jointly to plan, establish and operate teacher centers.

(2) For the purpose of this section, the term "teacher center" means any site operated by a local education agency (or a combination of such agencies) in collaboration with one or more institutions of higher education which serves teachers, from public and nonpublic schools of the State, or an area or community within a State, in which teachers and other school personnel may --

(A) provide training to improve the skills of teachers to enable such teachers to better meet the special educational needs of persons such as teachers serve, and to familiarize such teachers with developments in curriculum development and educational research, including the manner in which the research can be used to improve their teaching skills; and

(B) develop and produce curricula designed to meet the educational needs of the persons in the community, area, or state being served, including the use of educational research findings or new or improved methods, practices, and techniques in the development of such curricula.

(3) The program of each Teacher Center shall be designed and implemented by classroom teachers and other participating school personnel, including the school principal, with aid of outside personnel as necessary. Such program will allow for diversity in staff development activities, including, but not limited to, small groups, self-directed learning and systematic observation during visits to other classrooms or schools. Such program will be evaluated and modified on a continuing basis by participating school personnel with the aid of outside personnel as necessary.

(b) Each teacher center shall be operated under the supervision of a teacher center policy board, the majority of which is representative of elementary and secondary classroom teachers to be served by such center fairly reflecting the makeup of all schoolteachers, including special education and vocational education teachers. Such board shall also include individuals representative of, or designated by, the school board of the local educational agency served by such center, and at least one representative designated by the institutions of higher education (with department or schools of education) located in or near the area.

(c) (1) The Commissioner is authorized to enter into arrangements, through grants or contracts, with local education agencies and/or institutions of higher education to jointly plan, establish and operate teacher centers. Such agencies and institutions desiring to receive a grant under this section shall make application therefor at such time, in such manner, and containing or accompanied by such information, as the Commissioner may require. Each application shall be submitted through the State educational agency of the State in which the applicant is located. Each such State agency shall review the application, make comments thereon, and recommend each application the State agency finds should be approved. Only applications so recommended shall be transmitted to the Commissioner for his approval.

(2) Any local education agency and/or institution of higher education submitting an application in accordance with paragraph (1) of this subsection which is dissatisfied with the action of the appropriate State educational agency.

(d) In approving any application under this section, the Commissioner shall insure that there is adequate provision for the furnishing of technical assistance to, and dissemination of information derived from the proposed teacher center by the appropriate State educational agency. Such State agency shall be adequately compensated by the Commissioner for such review of applications, recommendations, submissions, technical assistance, and dissemination services.

Rationale:

Virtually every proposal submitted for FY 1978 funding was the result of cooperative efforts among local education agencies, teacher associations and institutions of higher education. A substantial number of proposals from higher education institutions were ranked ahead of LEA proposals because of subsection (f) restrictions. Consequently, this recommendation should formalize an existing reality.

II. We also propose the repeal of Section D, Higher Education Personnel Development and its replacement by Senator Williams' Schools of Education Assistance Act. In addition, we believe that certain other provisions presently in Section 533 can be replaced by our proposed changes in Title IX which will permit a greater focus on opportunities for certain minority groups.

Sec. 533 now has two purposes: (a) to authorize grants to institutions of higher education to train minority or economically deprived school personnel to teach similar children; and (b) to authorize grants to institutions of higher education to train current school personnel with such backgrounds or orientations. Sec. 533 limits such grants to the paying of costs for training or study courses, and for fellowships and traineeships.

The National Institute of Education study (Educational Knowledge Dissemination and Utilization: An Assessment of Current and Potential Capacity of Schools of Education With Recommendations for Federal Support Strategies) documents the existence and viability of the networking that occurs between LEAs and SCDEs, between clusters of LEAs surrounding an SCDE and through consortia of SCDEs working with State and/or inter-State groups of LEAs. This would strengthen and reinforce this linking and networking.

Persons trained would have skill to (a) respond to various planning mandates established by Federal law, (b) develop school capacity-building programs for both individual schools, SCDEs and other institutions which make up the professional development delivery system, and (c) evaluate and modify such programs. State certification officers, those who provide technical assistance to the teacher centers, those who undertake needs assessments for schools, teacher trainers, staff development specialists, school building principals are among those who would be served. The priority given to minority or economically deprived candidates or school personnel would carry out the original legislative intention to provide special assistance to such persons.

TITLE IX -- GRADUATE PROGRAMS

In regard to TITLE IX -- GRADUATE PROGRAMS, we propose that you consider specific changes in Part C, Part D, and Part F. These changes are proposed to increase Public Service Fellowships, Fuel Conservation Program Fellowships, and fellowships for minority students.

Part C -- Award of Public Service Fellowships

SEC. 941 (a) In line 3 change "Five Hundred" to "Seven hundred and fifty" fellowships. Five hundred averages out to ten persons being trained as public servants per year in each of the fifty states. This is grossly inadequate and an increase in this number is needed.

Part D -- Fellowships For Other Purposes

SEC. 961 (b) (1) In line 2 change "Five hundred" to eight hundred" fellowships. This program enables needy students, especially minority and female students, to prepare for careers working on critical porblems related to the nation's energy and mineral resources.

Our current energy crisis is in part due to the many years of neglect of applied science and technology in federal support for education. There is a severe shortage of personnel with advanced training in these fields.

Part F -- General Assistance Grants

SEC. 981 (b) Change to read "The amount of a grant to which an institution shall be entitled for any final year shall be $300 multiplied by the number of qualified students in full-time enrollment (including the full-time equivalent of the part-time enrollment for credit) on October 31 of each year at such institutions who are pursuing a program of post-baccalaureate study."

SEC. 981 (e) Add "A qualified student is one who is a member of a recognized minority group determined by the Commissioner of Education to have been seriously underrepresented among students pursuing post-baccalaureate degrees for the preceding five years. A seriously underrepresented minority group is one whose proportionate representation among post-baccalaureate degree candidates is less than seventy-five percent of its proportional representation in the total population of the United States. The Commissioner of Education shall publish annually a list of minority groups determined by him to be seriously underrepresented among post-baccalaureate candidates."

These changes would redirect Part F from general support of graduate education to recognition and encouragement of the need to support minority students. Whereas $200/graduate student would cost at least $100 million annually, $300 per minority graduate student would cost only about $10 million. Rewarding universities for increasing their minority graduate-student enrollment could be the most effective stimulus to providing increased opportunity for graduate study to minority groups which the Congress could provide. Reducing this program to a more limited goal would give it some chance of being funded. The previous authorization for Part F expired in 1975, and unless something drastic is done to make it more appealing to Congress, the whole part might as well be dropped.

Senator **Pell**. In choosing between the House bill and the administration bill, would you have a preference in one direction or the other?

Dr. **McCormick**. I have to confess that I am not as prepared on the House bill as I should be. I have a copy of it but I really have not analyzed it. I just receive the report of this.

Senator **Pell**. I understand.

What about the AFT witnesses?

Mr. **Polishook**. The AFT would generally support the House bill, the Ford bill.

Senator **Pell**. Right.

And in the area of teacher centers, President McCormick, what role do you think the higher education institutions play or could play?

Mr. **McCormick**. I would hope that they would play a very significant role, not to dominate that process in terms of the management, but I think it is a team approach with the teachers being very much involved but from a technical assistance point of view, I would hope that the higher educational institutions would be woven into that process. And I might add that I believe that the educational institutions will have to be responsive to needs of the schools and the teachers and cannot always feel that they have all of the answers on these problems, but I think they have a great deal to contribute.

Senator **Pell**. What relationships—this is addressed more to the AFT panel—could there be between the States, the higher education community and teacher groups in the whole area of teacher training and professional development?

Mrs. **Weiler**. I believe that we see the teachers as a very vital part of the planning and the governance in the in-service of teachers so that would mean that we see teacher centers as being a part of an in-service program that would be organized together with the higher education faculty as well as part of any planning or any governance that would take place at the State level. So that we encourage in State plans, we encourage the participation of the teacher organizations on advisory groups as well as on the continued governance and operational plans that would be implemented in the State.

Senator **Pell**. Good.

Thank you, and thank you, Mrs. Weiler, Mr. Polishook, and Mr. McCormick for being with us.

Now, if Dr. Thomas Bartlett, president, American Association of Universities, could come forward with his testimony. As I said, his full testimony will be inserted in the record and we would appreciate any extemporaneous highlights he might wish to make.

STATEMENT OF DR. THOMAS A. BARTLETT, PRESIDENT, ASSOCIATION OF AMERICAN UNIVERSITIES

Dr. **Bartlett**. I shall make sure that the lights blink with the right colors at the right time.

My name is Thomas Bartlett, and I am speaking on behalf of the Association of American Universities, the Association of Graduate Schools, and the Council of Graduate Schools,

My comments relate to title IX of the Higher Education Act.

We are all familiar with the predictions of decreases in the 18- to 24-year-old population to take place in the coming decade. We can expect a decline in college undergraduate enrollment and a larger than proportionate drop in graduate enrollment. Particularly in fields in the social sciences and humanities, but also in the physical sciences, academic career opportunities are already limited because academe has entered a period of stability or retrenchment after years of growth.

It should be added that the new retirement laws will further reduce the number of available academic positions.

It would be easy at this point to draw the wrong conclusions from all of this. Some might say that the fewer graduate students this country has, the better, to redress the balance between job seekers and available jobs is to reduce the number of those in graduate education. But that conclusion is a trap which can only have grave consequences for the quality of advanced learning and scholarship in the Nation. America's ability to discover new knowledge and to translate that into improvements in the lives of our citizens, is linked to our ability to enable gifted individuals to pursue study as far as their abilities will take them. A shortsighted "the fewer the better approach" would threaten the quality of advanced learning and scholarship because the vitality of American scholarships requires a steady stream of the ablest young scholars. That stream can get smaller than it is now, but it must not be choked off. We cannot afford "a lost generation" of scholars and researchers. Yet we seem to be creating a condition in which career and financial barriers to graduate education are high, while attractions are low.

There is one aspect of this which should be particular ominous in this committee. We in higher education are committed to keeping our doors open to those with limited financial resources. We are committed to increasing the number of minority members and women in our senior academic ranks. But these objectives cannot be achieved unless such people can afford to prepare themselves through graduate aducation. You, sir, and your congressional colleagues have dramatically lowered the financial barriers to undergraduate education. It would be ironic if a combination of market forces and financial barriers now made advanced study prohibitive for those who previously were unable to complete the undergraduate degrees.

There are indications that because of today's poor academic job market, and the lack of adequate financial aid available to graduate students, low-income students are being cut off from realizing their potential. Financial aid opportunities for graduate students are severely limited. Federal fellowship and traineeship support, which was based on a manpower rationale, has largely disappeared. Universities and private foundations resources have also dwindled. The present system still greatly favors those individuals who have the necessary financial resources or who do not fear heavy borrowing, and that means heavy borrowing in the face of the probability of relatively low future salaries. America may be losing the talents of highly gifted people and cutting back in our quest for educational opportunities for all at advanced levels, irrespective of financial background.

The challenge is to reduce the size of our advanced graduate enrollment while retaining intellectual vitality and quality, and also retaining access to those with limited resources.

It is for these reasons, Mr. Chairman, that we believe that the approach embodied in the House bill authorizing a comprehensive study, the collecting of data on all kinds of sources during the next 2 years is an essential step for us to take at this time. We believe it will identify clear, specific needs, for targeted assistance to graduate students from public sources essential to the national interest.

Therefore, we would urge you to support title IX and to give the Commissioner all the encouragement in your committee's report on the extension and the impact of that study.

[The prepared statement of Dr. Bartlett follows:]

TESTIMONY ON

TITLE IX (GRADUATE PROGRAMS) OF THE HIGHER EDUCATION ACT AND RELATED GRADUATE STUDENT FINANCIAL AID MATTERS

Before the Subcommittee on Education, Arts, and Humanities
of the
COMMITTEE ON LABOR AND HUMAN RESOURCES,
U.S. SENATE

by
Thomas A. Bartlett
President, Association of American Universities

On behalf of the

Association of American Universities
Association of Graduate Schools
Council of Graduate Schools

October 3, 1979

I am Thomas A. Bartlett, President of the Association of American Universities. The AAU is composed of 48 universities in the United States that are affiliated on the basis of their commitment to basic research and graduate study. The Association of Graduate Schools is an organization of graduate schools from those institutions. I appreciate the opportunity to present testimony on Title IX of the Higher Education Act today, on behalf of the AAU-AGS and the Council of Graduate Schools.

We are all familiar with the predictions of decreases in the 18 to 24-year old population to take place in the coming decade (estimates vary from 10 to 25 percent). This demographic shift could have many implications for higher education. It is logical, for example, to suppose that there will be a decline in college enrollments and that that decline will be a contributing factor to a drop in graduate enrollments.

We are also all aware that in many fields there are not enough jobs available for those trained to fill them. Particularly in fields in the social sciences and humanities, but also in some of the physical sciences, academic career opportunities are fewer because academe has entered a period of stability or retrenchment after years of growth. New retirement laws will further reduce the number of available academic positions.

It would be easy to draw the wrong conclusions from all of this. Some might say that there is little need for federal assistance to graduate students, that the fewer graduate students this country has, the better, for in this way the balance between job seekers and available jobs can be redressed.

But that conclusion is a trap which could only have grave consequences for the quality of advanced learning and scholarship in the nation. There is a direct link between America's ability, on the one hand, to continue to make discoveries in all fields and to translate these findings into ways of improving the lives of its citizens, and the citizens of other countries, and its ability, on the other hand, to enable gifted individuals to pursue study as far as their abilities will take them.

A simplistic "the fewer, the better" approach threatens the quality of advanced learning and scholarship; it will also leave our universities ill-equipped to provide the best instruction possible to the students who, demographers tell us, will again be enrolling in college in greater numbers in the last decade of this century.

There are indications that because of today's poor academic job market and the lack of adequate financial aid available to graduate students, two things are happening: increasing numbers of intellectually qualified, low-income students are being cut off from realizing their potential, and some fields are tending to become the province of those who are the most financially-able rather than necessarily the most intellectually-able.

The financial aid opportunities for graduate students today are severely limited. Federal fellowship and traineeship support, which was based on a nampower rationale, has largely disappeared. There are some federal funds available to doctoral students through research grants awarded to faculty members, but these are mainly limited to advanced students in scientific disciplines.

At the same time that federal funds for graduate study have been reduced, university and private foundation resources have dwindled.

Currently, graduate students are not eligible for any grant funds under Title IV of the Higher Education Act. In spite of their eligibility for work-study funds, the present system favors those individuals who have the necessary financial resources and those who do not fear borrowing. A statistic from the National Research Council's Doctorate Records File illustrates this increased dependence on loans: the percentage of graduate students borrowing jumped from 12% in 1971 to 23% in 1976.

Your Committee has made access and opportunity the core of federal purposes in higher education. The AAU-AGS and the CGS fear that because of inadequacies in the current federal policy of graduate student support, America may be losing the talents of highly gifted people and failing in its quest for genuine educational opportunity for all, irrespective of their financial background. We are deeply concerned about the ability of this nation's universities to continue to attract and retain the most talented individuals for scholarship, particularly in the humanities and social sciences. We believe it is less in the national interest to have large numbers of students pursue study to the most advanced levels, than to assure that the fields themselves remain strong and vigorous by attracting the most promising individuals and enabling them to go as far as their abilities will take them, regardless of their financial situation.

The present Title IX allows for important categorical programs, but it does not adequately address these concerns.

Institutions should acknowledge that higher education is no longer in a growth period. They can make adjustments in the total number of graduate students they admit, thereby freeing funds for higher individual stipends. Similarly, some of the relatively minor changes proposed for Title IX and included in H.R. 5192 are intended to reflect the changing environment of higher education, away from expansion toward consolidation and maintenance of quality. These small modifications update the law in an important way, but they do not go far enough in meeting the problems of financial assistance for graduate students.

As a means of addressing our concerns, we had suggested specific modifications to Titles IV and IX of the Higher Education Act. Our proposals were a response to needs described by a variety of institutions. We proposed a separate authority extending the Supplemental Educational Opportunity Grants to first-year graduate students enrolled at least half-time, with the proviso that no funds be appropriated for graduate use until a predetermined amount was first appropriated for undergraduate use. We suggested that one strategy toward relieving debt burdens of graduate students might be through a loan fund to which graduate students, after earning an appropriate terminal degree, could apply for relief. We proposed that Title IX include a portable national competitive fellowship program in the humanities and social sciences (a counterpart to the fellowship program in the National Science Foundation), with selection based on merit and award based on need.

For understandable reasons, the House Committee on Education and Labor has taken another approach. In a period of instability and transition, predictions are especially difficult. It is true that without a systematic, comprehensive nation-wide study of graduate student financial assistance, data documenting the need to modify existing federal support of graduate students can only be anecdotal and partial. H.R. 5192 recognizes the need to conduct a study on graduate student assistance in order to determine the inadequacies of current financial aid opportunities available to graduate students throughout the nation and across disciplines. The scope of the study is outlined in Section 904(b) of H.R. 5192.

We believe that this approach to the problem is reasonable and that the study will be a means of finding ways to deal with our concerns. We therefore urge you to adopt the Title IX provisions of H.R. 5192. With respect to the special study on graduate student financial assistance, we would suggest that the Committee report indicate that the study should include recommendations for appropriate mechanisms for determining financial need for graduate students, who are in a situation different from that of undergraduates. Because we believe that the study will require the collection of new data, based on surveys of various types of institutions, we further suggest that the Committee report indicate that in order to obtain this data it may be necessary for the Commissioner to make contracts with universities, research institutions, foundations, and other competent public or private agencies.

This study on graduate student financial assistance would be an important component of the work of the National Commission on Student Financial Assistance under Title IV of H.R. 5192.

We note that this Commission is required to respond to proposals in the Commissioner's report on graduate aid. Insofar as the Commission is expected to consider the possibility of recommendations that contemplate changes in federal legislation, we urge that the Committee report direct the Commissioner also to include in his report recommendations for changes in federal legislation, if such are deemed necessary.

To sum up, in the area of federal student assistance legislation, graduate student interests have been eclipsed by undergraduate interests. We are convinced that it is vitally important that a comprehensive study of graduate student financial assistance be undertaken now, as we enter a period that threatens the caliber of advanced study, training, and research in the nation. We strongly urge the Committee to indicate the importance of this study as a first step toward ensuring that America does provide full access to graduate education without respect to financial background, thereby also ensuring that it will not lose the talents of highly gifted people.

Senator **Pell**. Thank you very much, Dr. Bartlett.

In that regard and following up on your last point, what we are proposing basically is a 5-year bill. I have long believed that what the education community needs is time to make almost any program work, and given time it will work. But when we keep changing the signals on them, it is much more difficult.

As you know, this proposal for a study commission is to make a study and report back in 2 years. My experience from being here quite awhile now is that very few people read the reports of the commissions or are even guided by them. You do feel this Commission is a necessary course of action to follow?

Dr. **Bartlett**. Let me make two points, sir.

We have largely overlooked graduate education in our concentration on opening up access to undergraduates. The result of that is that we are in an early stage of the process of developing policy and consensus as to what our national pilot program should be for graduate education, what our national needs are. Some of us believe that we have a pretty good idea of what the answers ought to be but we can only present particular bits of evidence or anecdotal information or impressions.

The Commission should give us a generally accepted basis of analysis.

My own view is that at the end of that time, when that general statement is before us, those of us who are particularly interested in graduate education will do everything we can to see that it is not simply ignored or put on the shelf. I think we consider this an essential stage in the development of a mandate for carrying forth the health of graduate education.

Senator **Pell**. Is there not a conflict here, a contradiction to the 5-year bill containing a 2-year study commission?

Dr. **Bartlett**. It would have been better if, in this bill, adequate provisions for graduate financial aid targeted to particular populations had been included. In fact, at the beginning of the session, we actually submitted proposals which we thought would get us through in that direction. But I think the response in the other House was that the consensus and the factual basis for those conclusions were not yet in place, and so we had to compromise in the direction of the first stage—of the study—which does, indeed, take us out of sequence of the 5-year process. And yet there seems to be no other course.

Let me add one other case. It would be very awkward if we were to wait 5 years to deal with this issue, because we are probably going to be in the extreme part of the problem about 5 years from now.

Senator **Pell**. Why did you not make those proposals to us? As you know, we are an equal body.

Dr. **Bartlett**. That is a reasonable challenge. I think it was because we concluded that there were enough differences within higher education that, while there might be a predominant voice, there would have been some controversy over the precise steps that ought to be taken.

For example, there are differences between those who believe that access should be emphasized by a very broad program of financial aid on a large scale, at a lower point in the process, versus those who believe that more money should be concentrated in taking more people all the way through to the Ph. D. degree.

The facts are going to have an important bearing on how that issue is compromised.

There was another issue that arose, and that was the question of how to finance it. One of the proposals that we made was expanding eligibility to the SEOG program to graduate students. Now, again there was concern as to whether or not that was the right mechanism.

There is also concern among people who are specialists and technical experts in this field on the question of accurately assessing financial need for graduate students. It runs into the question of independent students, how much loan should a student have to carry, should loans be income-sensitive, how can one gage an accurate appraisal of need about a career that has not happened yet?

There were enough ambiguities that we concluded it would be better to drop back a stage and to go ahead with the Study Commission. We hope it will not be the end, that it is not a way to put the issue away.

Senator **Pell**. I rather wish you had not. Because I say my experience with commissions and study reports is that they create a great deal of work for a lot of people, but do not have much impact.

The important thing is when you know there is a job to be done, get on with it, and then gradually work out the wrinkles as you go ahead. I think graduate education is particularly important because from the individual's satisfaction, you want as broad an educational base as possible, when it comes to the breakthroughs in national well-being, those are made by the summa cum laudes, of which I was not one so I can say that with fairness. But they are the ones who I think really should be encouraged and we do not want to see any of those top scholars deprived of an education.

Dr. **Bartlett**. It is quite clear that there is evidence coming in already that particular fields are becoming increasingly only for those who can afford to go into them, and that does not seem right at all.

Senator **Pell**. As you probably know, there is a difference in structure in the House and the Senate. They have several committees doing what this single committee does and in addition to that, the Members have fewer committees on which they serve. So we have perhaps a broader job to do.

According to the chronicle of higher education, the Danforth Foundation plans to end its graduate fellowship program this coming April. As you know, this program has done a great job, and I am very glad to say that Jack Danforth, who is the Senator's grandson, is one of my colleagues, and an excellent one. What will the cessation of this program do to graduate opportunities in this country?

Dr. **Bartlett**. It is just one more of a series of events. The Ford Foundation has largely moved out of graduate fellowships. That was, at one time, a heavy supporter of graduate education. Now, the Danforth, as you say, has been one of the pioneers affecting the lives of thousands of people. They are out of it.

The Federal programs are now cut back. There are three Federal programs, relatively minor, that still exist. People have, as I said at the outset, gone from the proposition that there are few jobs for Ph. D.'s, to the conclusion that, therefore, the fewer Ph. D.'s, the better. That is clearly not an adequate analysis.

On the other hand, it is not likely that the national interest is going to be carried in the long run solely by private foundations such as the Danforth Foundation. So we are almost certainly looking to a public program at some point.

Senator PELL. I appreciate that, and I particularly appreciate your testimony. I did not mean to indicate earlier that there is not room for people who are not summa cum laudes. There certainly is.

But the great movements that occur in our life, the biting edge, the cutting edge of change, are usually done by those with a pretty distinguished cerebral capacity, and these are the individuals that, from a national weal, we must always be aware of and look after.

I think, all too often, perhaps because we are politicians, we think of the impact on the individual and only the individual, and we do not think of the impact on the Nation. We think of the impact on the individual from the viewpoint of satisfaction, about how much money he earns and so forth.

But we also have to crank into it that we are Senators in the United States, and what is the impact on the United States as a nation?

I would like to thank you very much, Dr. Bartlett.

I would put in the record at this point a letter from Senator Gaylord Nelson, enclosing S. 1853, legislation to reauthorize Teacher Corps through fiscal year 1983, and with the assurance to my colleague that this, too, will be studied by the subcommittee.

[The information referred to follows:]

HARRISON A. WILLIAMS, JR., N.J., CHAIRMAN
JENNINGS RANDOLPH, W. VA.
CLAIBORNE PELL, R.I.
EDWARD M. KENNEDY, MASS.
GAYLORD NELSON, WIS.
THOMAS F. EAGLETON, MO.
ALAN CRANSTON, CALIF.
DONALD W. RIEGLE, JR., MICH.
HOWARD M. METZENBAUM, OHIO
RICHARD S. SCHWEIKER, PA.
JACOB K. JAVITS, N.Y.
ROBERT T. STAFFORD, VT.
ORRIN G. HATCH, UTAH
WILLIAM L. ARMSTRONG, COLO.
GORDON J. HUMPHREY, N.H.
STEPHEN J. PARADISE, GENERAL COUNSEL
AND STAFF DIRECTOR
MARJORIE M. WHITTAKER, CHIEF CLERK

United States Senate
COMMITTEE ON LABOR AND
HUMAN RESOURCES
WASHINGTON, D.C. 20510

October 2, 1979

Senator Claiborne Pell
Chairman
Subcommittee on Education,
Arts and Humanities
Committee on Labor and Human Resources
U.S. Senate
Washington, D.C. 20510

Dear Claiborne:

Senator Kennedy and I introduced S. 1853 on October 2, 1979, legislation to reauthorize the Teacher Corps through fiscal year 1983.

As your Subcommittee considers the reauthorization of the Higher Education Act, I would like to take this opportunity to bring the Teacher Corps legislation to your attention. I also would like to request that a copy of the legislation and the accompanying statement which I submitted for the Congressional Record be included at the appropriate point in the hearing record.

Please let me know if there is any other information that would be helpful to your Subcommittee's consideration of this bill. Thank you for your assistance.

Sincerely,

Gaylord Nelson

GAYLORD NELSON
U.S. Senate

TEACHER CORPS

MR. NELSON. Mr. President, Senator Kennedy and I are introducing a bill today to reauthorize the Teacher Corps through fiscal year 1983.

This bill authorizes an appropriation level of $100 million for the Teacher Corps in FY 1981 and for each of the two succeeding fiscal years. This is the same appropriation that is authorized for the current fiscal year.

The original legislation, enacted as part of the Higher Education Act of 1965 (P.L. 89-329), established a Teacher Corps to strengthen educational opportunities for children in areas having concentrations of low-income families, and to encourage colleges and universities to broaden their teacher preparation programs accordingly. To achieve this purpose, the Teacher Corps was to attract and train qualified teachers and inexperienced teacher interns, and make them available to local education agencies for service in low-income areas.

Grants and contracts were authorized for institutions of higher education and local education agencies for recruiting, selecting and training Teacher Corps members and for the operational costs of Teacher Corps projects. Funding has been provided for projects designed to meet the special educational needs of children from migrant worker families, juvenile delinquents, youth offenders, and adult criminal offenders.

Initially, the Teacher Corps was regarded as a "service" program -- somewhat similar to the Peace Corps -- in the sense that it provided additional education opportunities for low-income children through the provision of superior teacher training and certification for many young college graduates who would not otherwise have chosen to become teachers. In sum, the initial emphasis of the Teacher Corps was on training new teacher-interns, and on providing "services" to local universities and colleges needing assistance in their pre-service teacher training programs.

Amendments to the Teacher Corps legislation in 1974 (P.L. 93-380) expanded the responsibilities of the Teacher Corps by adding authority to encourage institutions of higher education and local education agencies to improve their programs for training and retraining currently active teachers. The focus of the Corps, therefore, shifted from pre-service training of teacher interns to an emphasis on retraining experienced teachers and teacher aides, so that they might be better equipped to address the educational needs of children in low-income areas. The purpose of the Corps also gradually shifted from an emphasis on improving the skills of individual teachers to an emphasis on improving entire schools and institutions of higher education as the best means for achieving lasting benefits from limited resources.

Other amendments to the Teacher Corps in 1976 (P.L. 94-482) enabled a shift from providing "services" to colleges and universities in their efforts to provide pre-service teacher training to an emphasis on showing -- providing evidence to those who are responsible for individual Teacher Corps projects -- how institutions of higher education are employing new teaching techniques in their efforts to prepare or retrain teaching personnel for service in low-income areas. In other words, each Teacher Corps project must show evidence of staff development that is responsive to student needs, and furnish proof that participating institutions will continue project achievements once Teacher Corps funding has ended. Corps staff must also document and evaluate the achievements of projects, and information on project successes and failures must be made available to other local education agencies.

Changes in the authorizing legislation also increased the project length from three to five years, and the mandate of the Corps was expanded from teachers only to all professionals -- such as teachers, teacher aides, and school administrators -- involved with the education of low-income children.

A typical project now includes all the educational staff of three or four schools, all of which serve a low-income community. The historic cooperation between an institution of higher education and a local education agency is continued. However, since 1978, an elected community council, consisting of parents and other community members, has been added to the governing structure. This governing structure determines the types of improvements or changes in the schools and educational personnel that are to be achieved through the training and retraining offered by the Teacher Corps program.

If the project proposal is approved, the first year is devoted to detailed project development; the last four years consist of the actual training, with an emphasis on disseminating information on project successes and failures during that last two years. All information documented at the local level is to be included in a large national evaluation of the Teacher Corps.

The Teacher Corps is often confused with another Office of Education program for the training of educational personnel -- the Teacher Centers program. Because there are some similarities between the Teacher Corps and the Teacher Centers, it has been suggested that these two programs are overlapping, competing and even conflicting in their objectives and activities.

But, in fact, nothing could be further from the truth. Despite similarities, there are very important differences between the two programs; in a sense, the Teacher Corps and Teacher Centers are complementary to one another.

- The Teacher Centers are concerned solely with the training of teachers. The Teacher Corps, on the other hand, aims to train all educational personnel in project schools -- teacher interns, teacher aides and school administrators as well as teachers.

- The Teacher Corps has a specific focus on the educational needs of some of society's most disadvantaged students -- children from low-income areas. Teacher Centers make no distinction among students.

- Whereas Teacher Centers are designed to help teachers become more effective with their students, the Teacher Corps is designed to improve the nature and effectiveness of entire institutions (colleges and universitities) so that their teacher preparation programs are more responsive to student as well as teacher needs.

- Responsibility for approving grant applications rests with the Teacher Center Policy Boards, where teachers comprise the majority of members. In the Teacher Corps, by comparison, a Policy Council governs projects; this Council includes the superintendent of the local education agency, the Dean of Education of the institution for higher education, and the Chairperson of the elected Community Council (composed of parents and other community members).

Over the past ten years, a number of evaluative studies of the Teacher Corps have been conducted by such organizations as the U.S. General Accounting Office (GAO), the Center for Education Policy Research at Harvard University (1971), and the Office of Education (1975). These studies have found that the Teacher Corps attracted a special type of person to teaching in low-income areas -- persons who tended to be more effective than other teaching personnel in such areas as the use of community resources, initiating contact with parents, and the development of ethnically relevent curricula. These studies also have suggested that more Teacher Corps interns remain in schools serving low-income populations after becoming teachers than teacher interns prepared in traditional ways.

The comments of current or former participants in the program also attest to the impact of the Teacher Corps program on individuals and whole communities. In a letter to Dr. William Smith, Director of the Teacher Corps, the Chairperson of the Community Council in Wise, Va., wrote the following:

> The project has done many things to bring our school and community closer together. It has involved community members in the school as volunteers and resource persons. It has increased community support for services to strengthen the school program, such as the Reading is FUNdamental Program and the Outdoor Education Center. Through various activities parents have gained a better understanding of the academic program and learned how they can help their children at home. Teachers, parents, and community representatives have been able to discuss issues and to understand each others' points of view. Because of our Teacher Corps project we have been able in two years, to progress to a point which otherwise would have taken us a decade.
>
> Even though our project was not refunded for a '78 cycle, the Council plans to continue its activities. In fact, we have already taken steps to expand the Council to include representatives from the primary school and the high school. We feel that we have made a good start. We intend to remain active and to work toward bringing resources such as the Teacher Corps to our area.

The Teacher Corps remains a useful and timely program for the training of professionals who are central to the education of some of this society's most disadvantaged students. It is anticipated that an average of 16,000 experienced educational personnel and 320 teacher interns will be trained each year through the Teacher Corps program. This educational personnel is located in approximately 320 schools and eighty school districts throughout the country. An average of eighty colleges and universities are involved with the activities of the Teacher Corps each year. In my judgment, the Corps remains essential to the achievement of the goal that children from all sectors of American society receive an education of quality and relevance.

Funding for Teacher Corps projects is made on a competitive grant basis. The Corps follows standard Office of Education practices for the administration of discretionary grant programs. Grants are made annually, although projects cover five years. The Teacher Corps has typically funded sixty new project starts in each of its first twelve years. In 1978, this number was increased to eighty because the first year costs of the new projects -- since they will be devoted to planning and development -- will be lower than the full operational costs.

The Administration requested an appropriation of $37.5 million for the Teacher Corps is fiscal year 1980. Unfortunately, the Senate approved only $30 million for the Corps. This means that no funds will be available for technical assistance contracts or new project starts, and that grant awards to current program participants will have to be reduced. It is my hope and expectation that these funds will be restored next year.

Teacher Corps authorization under the Higher Education Technical Amendments of 1979 is scheduled to expire at the end of FY 1980. Since a new five-year cycle in the Teacher Corps program just started last summer, and a major long-term evaluation of the program has just been initiated in response to current authorizing legislation, no revisions are being proposed in the Teacher Corps at this time. Instead, this legislation would extend the Teacher Corps legislative language in the Higher Education authorization for FY 1981 and the two succeeding fiscal years.

The Senate Labor and Human Resources Subcommittee on Education, Arts and Humanities, chaired by the distinguished Senator from Rhode Island, Senator Pell, has just initiated hearings on the reauthorization of the Higher Education Act. The Subcommittee will be considering the reauthorization of the Teacher Corps as part of the Higher Education Act, and will be reporting its recommendations for the entire Act by May 15, 1980.

Senator PELL. Before closing, I would like to particularly personally welcome an old friend and colleague, Dr. Francis Horn, who first got our State university in the oceanographic sphere. He has had a distinguished career, and I am glad to see him in the back of the room.

Any words of wisdom, Dr. Horn?

Dr. HORN. Thank you very much.

Senator PELL. It's very good to see you and your mind was the mind that I was talking about that we need more like. We need more minds like yours.

At 10 o'clock tomorrow morning in this room, this committee will resume. The subcommittee will recess its hearing.

[Whereupon, at 3:10 p.m., the subcommittee recessed, to reconvene at 10 a.m., Thursday, October 4, 1979.]

HIGHER EDUCATION AMENDMENTS OF 1979

THURSDAY, OCTOBER 4, 1979

U.S. SENATE,
SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, D.C.

The subcommittee met at 10:05 a.m., in room 4232, Dirksen Senate Office Building, Senator Claiborne Pell (chairman of the subcommittee) presiding.

Present: Senators Pell, Stafford, Schweiker, and Javits.

Senator PELL. The subcommittee will be in order. Today is our third day of hearings on the reauthorization of the Higher Education Act. We will focus today on Federal higher education library programs, foreign language studies, Federal programs in the area of international education, and on two new proposed programs—first, the Taft Institute, and then the Urban University Grants.

Our first witnesses today will be a panel on the Taft Institute, which will be led by Senator Henry Bellmon, including Senator Taft, Senator Goldwater, and Marilyn Chelstrom, the president.

Senator Bellmon, would you like to lead off?

STATEMENTS OF HON. HENRY BELLMON, A U.S. SENATOR FROM THE STATE OF OKLAHOMA; HON. BARRY GOLDWATER, A U.S. SENATOR FROM THE STATE ARIZONA; SENATOR ROBERT TAFT, JR., OHIO; AND MARILYN CHELSTROM, EXECUTIVE DIRECTOR, TAFT INSTITUTE, NEW YORK, A PANEL

Senator BELLMON. Thank you, Mr. Chairman.

I am pleased to be a part of this panel this morning supporting the Taft Institute, and I appreciate the opportunity to appear before you in support of S. 378, which would establish the Robert A. Taft Institute Government Trust Fund.

The committee's interest in this legislation, as evidenced by today's hearing is most encouraging to not only myself, but to the 26 Senate cosponsors of S. 378, who view this bill as a proper tribute to the late Senator Taft and a necessary step in furthering the work of the Taft Institute of Government which so far has carried on its activities with strictly private funds.

Mr. Chairman, for some time now, I have been fortunate, as others have, to participate and observe firsthand the Taft Institute seminars for teachers. This program, directed toward elementary and secondary school teachers is extremely successful in providing educators practical knowledge and insight into the operation of the American political system.

While these seminars are conducted on behalf of school teachers, the ultimate goal of the institute's program is designed for the benefit of our Nation's young people. By enhancing a teacher's understanding of American politics and government, particularly the importance of our country's political system, they in turn can develop in young people a commitment to participate in the process. Such broad citizen participation is critical to our democratic form of government. In this connection, the Taft program has been and will continue to be a constructive force in counteracting the problem of growing insensitivity and disenchantment toward government, elected officials, and political parties.

To this end, Mr. Chairman, S. 378 is intended to assist the Taft Institute in expanding its current program. By creating a trust arrangement whereby income generated by the trust is matched on a 50-50 basis with the Taft Institute's private contributions, the institute will continue its efforts to raise private contributions rather than rely strictly on Federal assistance alone. In my opinion, this approach is a preferable means of providing such assistance as opposed to annual Federal appropriations.

Mr. Chairman, American political history has been the story of a two-party system in action. Yet there is too little understanding among the majority of the country's citizens of the importance of having strong political parties, forming our basic political arrangement. We have therefore, one party in power, and one party in loyal opposition. The Taft Institute dedicates its work toward the understanding of these principles in much the same manner as they were exercised by former Senator Robert Taft.

There is a great deal that is left to be done in helping understand how this process works. This legislation will emphasize the importance of the Taft program and the work it performs. I am convinced this is a valuable contribution to our political and governmental process, and a wise investment of our tax dollars.

Therefore, Mr. Chairman, I urge the favorable consideration of this legislation as part of the Higher Education Act which this subcommittee has under consideration.

Thank you, Mr. Chairman.

[The prepared statement of Senator Bellmon follows:]

STATEMENT
BY
SEN. HENRY BELLMON
ON
S. 378
THE ROBERT A. TAFT INSTITUTE OF GOVERNMENT
TRUST FUND BILL

Mr. Chairman, members of the Subcommittee:

I very much appreciate the opportunity to appear before you today in support of S. 378, the Robert A. Taft Institute of Government Trust Fund bill. Your interest in this legislation as evidenced by today's hearing is most encouraging to not only myself, but to the twenty-six Senate co-sponsors of S. 378, who view this bill as a proper tribute to the late Senator Taft and a necessary step in furthering the work of the Taft Institute of Government.

Mr. Chairman, for some time now I have been fortunate to participate and observe first-hand the Taft Institute's Seminars for Teachers. This program, directed toward elementary and secondary school teachers is extremely successful in providing educators practical knowledge and insight into the operation of the American political system. While these seminars are conducted on behalf of school teachers, the ultimate goal of the Institute's program is designed for the benefit of our nation's young people. By enhancing a teacher's understanding of American politics and government, particularly the importance of our countries political system, they in turn can develop in young people a commitment to participate in the process. Such broad citizen participation is critical to our democratic form of government. In this connection, the Taft program has been, and will continue to be a construction force in counteracting the problem of growing insensitivity and disenchantment toward government, elected officials, and political parties.

To this end Mr. Chairman, S. 378 is intended to assist the Taft Institute in expanding its current program. By creating a trust arrangement whereby income generated by the trust is matched on a 50-50 basis with the Taft Institute's private contributions, the Institute will continue its efforts to raise private contributions rather than rely on Federal assistance alone. In my opinion, this approach is a preferable means of providing such assistance as opposed to annual appropriations.

Mr. Chairman, American political history has been the story of a two-party system in action; yet there is too little understanding among the majority of the country's citizens of the importance of two strong political parties, forming our basic political arrangement -- one party in power and one party in loyal opposition. The Taft Institute dedicates its work toward the understanding of these principles in much the same manner as they were exercised by Senator Robert Taft. There is a great deal left to be done. This legislation will help emphasize the importanc of the Taft program and the work it performs. I'm convinced this is a valuable contribution to our political and governmental process, and a wise investment of dollars.

Therefore Mr. Chairman, I urge the favorable consideration of this legislation as part of the Higher Education Act which this subcommittee will consider in the coming months.

Thank you Mr. Chairman.

Senator **Pell**. Thank you very much, Senator Bellmon.

What I would like to do is to go right through the panel before asking any questions. On the other hand, if you have to leave right now——

Senator **Bellmon**. I am in no hurry.

Senator **Pell**. All right, fine.

Senator Goldwater?

Senator **Goldwater**. Mr. Chairman, I thank you for allowing us to come here today.

I have been connected with the Institute of Government ever since its foundation. I think it is the most effective thing we have had in my State to acquaint people with the need for political activity, with the value of the two-party system, and it has actually shown results in some of our young people going into active politics.

The institute offers a graduate level course at participating universities, which is good for college credit. It offers very detailed information about how a citizen can participate in the political system, with courses offered to primary and secondary school teachers, librarians, and administrators with responsibilities in civics and social studies.

And Mr. Chairman, to make my presentation as short as possible, I would like to ask that there be inserted in the record an article from the Christian Science Monitor of Monday, April 10, 1978, "Enlivening Civics with 'Live' Politicians."

Again, I want to thank you.

Senator **Pell**. Without objection, it will be included in the record. I would add, too, that I have benefited and enjoyed from participating off and on in the Taft Institute programs over the last good many years.

[The following was received for the record.]

Exciting and instructional'

Enlivening civics with 'live' politicians

Gary Buckley is a professor of political sci- nce at Northern Arizona University. He says f his involvement with the Taft Institute, "This has been one of the most exciting in- tructional exercises in the area of civics and overnment that I have ever encountered."

By Gary J. Buckley
Special to
The Christian Science Monitor

Flagstaff, Arizona

In an age of skepticism regarding American olitics it is refreshing to come upon an educa- onal program designed to renew one's faith in ur predominantly two-party system. Such a rogram is the Robert A. Taft Institute of Gov- rnment Seminar. This is a brief (one-to-three eeks) summer program for primary and sec- ndary schoolteachers, librarians, and adminis- rators with responsibilities in civics and social tudies.

Last summer 37 such seminars were held across the nation on the campus of a state-supported or private college or university which acted as the host institution.

Although the format of the seminar varies slightly from one state to another, the basic objective of each is the same: to bring the teacher of government into contact with those who operate daily in the political system. Academic presentations are therefore kept to a minimum and the major emphasis is upon listening to and talking with elected and appointed political officials.

Electric effect

The effect upon the educators, many of whom have never met a major elected official in their lives, is electric. Officials who have previously been "plastic" images known only through the media become flesh-and-blood people. Their hopes and fears for the political system are shared with the teachers, who respond enthusiastically to the opportunity to discuss political problems with those in a position to do something about it.

Most important of all, these seminars have tended to "humanize" politics for the teacher-participants. Individuals such as governors and congressmen who had previously been put on a pedestal are brought down to a more realistic level. They are seen by the educators as they really are, and not perhaps as their own publicity sometimes tries to make them.

The result has been to encourage the teachers to take a more active part in the political process as informed citizens. Some subsequently volunteer to work in local party organizations; others help out in a campaign. We have even had some participants become so excited that they have declared their candidacy for public office before the seminar concluded.

Taft Institute

The Robert A. Taft Institute of Government was incorporated in New York in 1961 as a nonprofit, educational corporation. While it was established as a living memorial to the late Sen. Robert A. Taft (R) of Ohio, it is strictly a nonpartisan organization. Its major purpose is to bring about greater understanding of, and appreciation for, the two-party system in the United States through a system of annual seminars held across the country.

The Taft Institute does not finance itself through an endowment and every year is forced to rely for contributions upon foundations, businessmen, philanthropic organizations, and concerned individuals.

The national office in New York reviews annual applications for hosting a seminar from colleges across the nation. Once a host is nominated the national office supplies detailed guidelines regarding publicity, setting up the seminar, selecting the 30 participants allowed per seminar, and inviting the speakers. National guidelines, however, are not overly rigid and permit each seminar a great deal of flexibility in asserting its local flavor.

Arizona format

Here at Northern Arizona University we have followed what we feel has been a very successful format over the past three years. Our institute runs for two weeks and we generally bring 30 to 40 speakers before the participants.

These speakers have come from just about every stage of the political process: judges, legislators, congressmen, White House staff, lobbyists, city councilmen and mayors, political party leaders, precinct committeemen, and journalists. Interested parties should contact Marilyn Chelstrom, Taft Institute, 420 Lexington Avenue, New York 10017.

Senator PELL. Senator Taft?

Senator TAFT. Thank you very much, Mr. Chairman. It is a great pleasure to be back in this committee room, and particularly with such distinguished company.

Senator PELL. Welcome. We miss you.

Senator TAFT. My role today is a very brief one, indeed. I thought I would just like to apprise the committee of the origin of the institute in connection with the memorial efforts for my father.

In 1954, a group of my father's friends and family joined together in a united effort to decide what ought to be done in the way of a memorial, and at that time they decided and pursued the course of raising private funds, raising about $1 million, which resulted in the building of the Taft Carrillon Tower, its presentation to the Congress, and the acceptance by the Congress of that tower.

Happily, at the conclusion of that effort, there was left some quarter of a million dollars or so, and in view of the feeling of many of the trustees that they would like to see a living memorial as well as the tower itself, it was decided to turn over the balance of those funds to the institute, which had then been formed. There was no desire to continue on the memorial foundation, and the family felt they had pretty much done what they had set out to do insofar as the memorial was concerned, in turning those funds over.

I would just like to emphasize that the institute is and has been for many years now an ongoing, private institution. The family has been delighted with it, have cooperated with it, but have not sought in any way to take over or participate actively in it, feeling that those who were already embarked on that course were well chosen and well able to do that job.

I have rejoined the board in the last year or two, at the urging of a number of the trustees, to try to assist in any way that I could. But I just want to say that we think there is no more appropriate memorial to my father and the ideas for which he stood than the efforts the institute has carried on so successfully, and we welcome the attempt to broaden this effort and feel it is the most worthwhile thing for the country.

I would now like to introduce—I do not know whether he wants to say anything—my colleague, who is also a trustee, Hon. James O'Hara, who served with me for many years in the House; and of course, you will hear very shortly from Marilyn Chelstrom, the president of the institute for many years, who has done an outstanding job.

Senator PELL. Thank you very much. I think all of us in America had a tremendous respect and regard for the character and integrity and honesty of your father, and I think this idea has tremendous merit.

Congressman O'Hara?

Mr. O'HARA. Mr. Chairman, I do not have any prepared remarks. I am here, really, to lend my support to Marilyn Chelstrom, who will be testifying and to others who have testified in support of Senator Bellmon's legislation.

I am a relatively recent member of the board of trustees of the institute. My interest was inspired by experiences I had while a member of the House of Representatives, which may be similar to your own experience. When I was a member of the House I made it a habit each year to visit every high school in my district and to meet with the seniors of each institution, who are required by Michigan law to take a course in American Government.

I was dismayed over the years by the lack of understanding that I found—both among the students and among many of their teachers—of the two-party system, the value of the parties, the critical role that the parties play in our system. So I am and have been very interested in the work that the institute has been doing, and I certainly commend that work to the chairman and to the committee.

Senator PELL. Thank you very much, and welcome back in these education surroundings.

Miss Chelstrom?

Miss CHELSTROM. Thank you, Mr. Chairman.

It is a privilege for me to be here today to speak on behalf of the trustees of the Robert Taft Institute of Government. I appreciate this opportunity. Their names are included at the back of our testimony, so you can see that we have quite a prestigious group of trustees who are active in politics and business and education and civic affairs over the country.

The purpose of the institute which we have been talking about is that to which the late Senator devoted so much of his time and his talents: The building of an understanding of our American free society and the forms and principles of government that forward and preserve that society.

The program of the institute is aimed at education on the function of political parties, the two-party system, and the processes of government in the United States.

The size and complexity of our government has grown so much, that many individuals over the country are overwhelmed with the feeling that one person cannot make a difference. Too many people do not understand the role of political parties, and that by working with political parties, particularly beginning at the local level, one person can exert a great deal of influence and power on his government, if he so chooses. But it is here at the local level that many individuals fail to master the procedures for participating in the political process and participating in the selection of the kinds of leaders that our American democracy requires.

So much is being said by political leaders, and so much is being written in the press about the decline of the two-party system, the weakened political parties, and the lack of citizen participation in the electoral process. These words are not always followed by action.

The Robert Taft Institute of Government, however, does respond with a political education program that is highly constructive. We direct our chief effort toward teachers because they have such a key role in transmitting an understanding of our principles and processes of government to the next generation. And as our Government becomes more complex, the job of the teacher becomes more difficult.

While most of us assume that children will develop an understanding of our Government and what our political system is about, beginning in the elementary school years, and by the time they get out of high school, they will have strong convictions about our democratic system, the facts show otherwise.

It was hoped that the passage of the 18-year-old vote would make many young people flock to the polls. They did not do this. While many of this group are vocal in promoting specific issues, they fail to carry their convictions to the ballot box. They simply do not connect their desire to do something about public policy with participation in the political process.

One problem lies with the teaching in the elementary and secondary schools. Many teachers are not prepared academically or practically to teach government classes. They have not taken political science courses in college. They have not participated actively in politics, and many, or even most, are naive about our political system.

It is not surprising, then, that young people come out of school lacking basic political knowledge; inadequately trained teachers cannot educate for responsible citizen participation.

And I want to insert that it is not the fault of the teachers. Many school systems over the country feel that anyone can teach government and politics; they do not establish requirements for teaching government. And we find that many, many teachers are searching for answers, and they are searching for constructive ways to deal with their students.

The Taft seminars for teachers fill this need for the teachers. They are rigorous, exciting, and concentrated courses in political science and practical politics. Their unique format is the key to their success.

The people who make the American political system work teach the teachers. In a typical Taft seminar, 30 teachers will meet with 30 different Republican and Democratic Party leaders, elected officials, lobbyists, press representatives, and other political practitioners. They explore the two-party system, they explore how government operates, they explore how individuals can participate. And the teachers in turn will gain background and ways to deal with their students.

In any one year, 50 or 60 U.S. Senators and U.S. Representatives serve among the 1,000 political experts who serve on Taft faculties in 35 programs throughout the country.

Thirty-seven current U.S. Senators have participated as members of the Taft faculty in recent years.

The political scientists who are chosen Taft seminar directors at the local universities prepare the teachers for their sessions with the practical politicians, with lectures, with discussions and with questions. The balance between the theory and the practice opens up for the teachers many areas of political inquiry they would otherwise have had little or no access to.

After all of these meetings 6, 8, and 10 hours daily for 2 weeks, does an experience with a Taft seminar make any difference?

Often, it is the teacher's first opportunity to meet face to face with a U.S. Senator or a Congressman or a Governor or a precinct leader of the Republican or Democratic Party, or the national chairmen of either of the parties.

It does make a difference in the lives of the participating teachers. First, virtually every one emerges with a deeper knowledge of our political system. They come out with a new respect for the two-party system, and with an envigorated commitment to the American system, and to their own role as teachers.

They come out of the Taft seminar feeling that they are working as a team with the elected officials and with party leaders in making our system work. If young people are not prepared for participation, this system is not going to work.

Let me just read a couple comments from teachers who took part in this last summer. An Indiana teacher wrote this to us at the conclusion of her experience:

> I had experienced a sense of apathy and cynicism since Watergate. These politicians reminded me that the system does work.

From a Rhode Island teacher:

> I am more confident in my ability to field questions on the system.

And from a Pennsylvania teacher:

> I must get involved in politics. I want my students to become involved and aware of their part in the process.

And from a Mississippi teacher:

> One cannot nap as comfortably in the political world after this course.

And from a New York teacher:

> I knew very little about the workings of the two-party system. I had the vague feeling that parties were crooked. Now I see that the two-party system is a necessary part of our democratic system.

These teachers stand before students who are accustomed to professional performers on television. They must compete with these people. With greater authority on the subject of politics and government, the teachers have a much better chance of capturing their students' attention.

Beyond this, meeting the political people in our system instills the teachers with an excitement about the ways for individuals to be effective. Their enthusiasm is catching, and the impact of inspired teachers on the lives of their students is profound.

Every State in the United States has benefited from the Taft seminars. Teachers from all 50 States have participated. Programs have been held in 39 different States and here in Washington, D.C.

In 17 years of operation, 12,000 teachers have taken part. These teachers in turn affect the learning of 2 million young people annually.

The benefits of the Taft seminars go way beyond the teachers' learning. They radiate political awareness into their local communities. The people who serve as the local directors become political consultants to schools, to civic groups, to the media.

Participation in our political system is motivated. I can tell you one example that is quite unique. A Taft teacher became so motivated to participate that he became active in the Democratic Party in California and subsequently became chairman of the Los Angeles County Democratic Committee.

Some teachers decide to run for office. The current mayor of Salt Lake City is an example. He started out as a teacher attending a Taft seminar and felt he could do something for our country. He did a few things locally and then ran for mayor of Salt Lake City.

Others have run for office in their local communities and serve as teachers at the same time as they are participating in the political system. They can become very effective leaders for their students.

There is much, much more. It is hard to measure the extended impact of the Taft seminars in each State where they are held.

There is a great demand for more of these programs. Many universities want to participate. Many more teachers ask to take part.

The Robert Taft Institute of Government has the experience, it has the reputation, and it has the expertise to build a more effective program.

The proposed Federal trust which would provide matching funds for income raised annually from private sources would enable us to enlarge and improve our effort to expand understanding of political parties, the two-party system, and to broaden an understanding of the need for individual participation. The need for education on the basics of our political system is compelling, and a broadening of our work would benefit the entire country.

Thank you, Mr. Chairman.

[The prepared statement of Miss Chelstrom follows:]

Testimony (S.378) Given By
Marilyn Chelstron, President
The Robert A. Taft Institute of Government
Before
Subcommittee on Education
Human Resources Committee, U. S. Senate

THE ROBERT A. TAFT
Institute of Government

The Robert A. Taft Institute of Government was established in 1961 in memory of the late Ohio Senator, as the second project of The Robert A. Taft Memorial Foundation. The first project of the Foundation was The Taft Memorial Bell Tower. For this effort, over $1 million was contributed by many friends of Senator Taft. Following its completion and dedication in 1959, the Bell Tower was donated to the Congress of the United States. Subsequently, the Foundation turned over its remaining funds of $225,000 to the organizers of The Institute to begin operating. The Robert A. Taft Memorial Foundation was then dissolved.

Taft Institute Organized to Promote Education on the Fundamentals of American Government and on the Two-Party Political Process

The purpose of The Robert A. Taft Institute of Government is that to which Senator Taft devoted so much of his time and talents, namely the understanding of the meaning of a free society and the forms and principles of government which can best preserve and forward that society. The program is committed to educational activities aimed at developing better understanding of the basic principles of the Constitution, of the two-party system, of the function of political parties, and of governmental and political processes in the United States.

The Institute is a nonprofit, bipartisan corporation chartered under the Board of Regents of the State of New York. It is classified as a 501(c)(3) organization, exempt from Federal income tax, and as a publicly supported organization under section 170(b)(1)(A)(vi) of the Internal Revenue Service Code.

10/4/79

The Need

Following organization, the first Taft Institute Trustees initiated "The Fifty States Survey" -- a study to determine what laws existed on the state level to guide the teaching of government and politics in the elementary and secondary schools. What the study brought to light, and what is even more true today than it was then, is that too little emphasis is placed on the teaching of the principles and processes of government and politics.

Despite the reputation of American democracy as the most outstanding form of organized society, Americans face the possible loss or deterioration of this most precious asset because of the prevailing cynicism and widespread unwillingness to put forth the effort to select and demand the kind of leadership democracy requires.

American political history has been the story of a two-party system in action; and yet many people have little understanding of the importance of two political parties, having relatively even strength, forming our basic political arrangement -- one party in power and one party in opposition.

The size and complexity of modern government has left many people overwhelmed with feelings that one person cannot make a difference.

Too many people do not understand that the political party system is an integral part of American government and that it is primarily through this system that individuals can exert legitimate influence upon their government. This influence begins at the local level, where the single voice can be heard. However it is here that most people fail to master the procedures for selecting their representatives.

THE ROBERT A. TAFT
Institute of Government

Testimony Given by
Marilyn Chelstrom
Before Subcommittee on Education
Page 3

The Need continued

Much has been said and written about the decline of the two-party system, the weakened political parties, the lack of citizen participation in the electoral process, but the words are not always followed by action toward constructive solutions. The need for education on the basics of our political process is compelling.

The Taft Institute's political education responds to this need.

Program Directed Toward Teachers

The program is directed toward teachers because they have a key role in transmitting an understanding of the principles and processes of American government to the next generation. Further, because of teachers' great influence, every dollar spent on a teacher could be multiplied many times when measured by its ultimate effect.

While it is generally assumed that children begin to form attitudes toward government and politics during the elementary school years, and that by the time they get out of high school they have strong convictions about the American democratic system and a firm understanding of how to take part in it effectively and responsibly, current studies show otherwise.

For instance, it was hoped that passage of legislation enabling 18-year olds to vote in elections would make many young people flock to the polls. They did not. With a turnout of only 38% of all eligible voters in the 1978 elections, the percentage for the 18 to 24 year old group was even lower. While many from this group are vocal -- and visible -- promoting

10/4/79

Program Directed Toward Teachers continued

specific issues, they fail to carry their convictions into the ballot box. They simply do not connect their desire to do something about public policy with participation in political processes. (This also holds true for the general public. Some prominent civic, business and interest group leaders exert, individually and on behalf of their organizations, corporations or groups, great effort to influence decisions made by elected representatives in city councils, state legislatures and the national Congress. However, a similar effort is not put into a basic citizen responsibility: searching out and selecting the representatives who make those important decisions.)

The problem lies with the teaching in elementary and secondary schools. While it might be expected that our American democratic system will be taught skillfully, many teachers are not prepared academically or practically to teach government classes. A 1978 Taft study of 826 teachers, each one teaching politics or government in elementary and secondary schools, reveals that 24% had never taken a political science course; 26% had only one or two such courses in college; and many were naive about the political system.

It is not surprising then that young people come out of high school lacking basic political knowledge. Inadequately prepared teachers cannot be effective in educating for responsible citizen participation.

The Taft Seminars for Teachers respond to deeply felt needs of teachers themselves for more political background. Many are searching for information and for constructive ways to discuss politics and government with their students.

10/4/79

THE ROBERT A. TAFT
Institute of Government

The Taft Seminars for Teachers

Taft Seminars are rigorous courses in political science and practical politics. Cosponsored by universities and colleges and offering graduate credit, all are organized to carry out the following objectives:

1) Develop greater understanding and appreciation of the basic principles of the United States Constitution.

2) Develop greater understanding of the American two-party system and the essential roles of the Republican and Democratic parties.

3) Develop a working knowledge of the processes of government.

4) Encourage teachers to use their best teaching skills, methods and creativity to instill in their students understanding and appreciation of the fundamentals of democracy and the United States as a free society.

5) Help teachers instruct their students more effectively concerning the principles, structure and functions of government, the two-party system, political parties, and politics.

6) Help teachers develop in their students strong positive attitudes toward political responsibility, politics and politicians.

Taft Seminars run two or three weeks, full time, during the summer, or on 12 to 15 Saturdays during the school year.

The Seminar Director

Local directors are the key to the success of the Taft Seminars. Carefully chosen by the Taft Institute, the Seminar Director is a faculty member of the sponsoring institution who has reached the academic level of associate or full professor. He or she has political science background and practical political experience, and an ability to move with ease and assurance in both academic and political worlds.

10/4/79

602

Taft Seminar Guidelines

The Institute supplies comprehensive guidelines for developing, coordinating and conducting the Taft Seminars, and monitors all stages of planning progress, offering help wherever it is needed. Continuous re-evaluation and revision of the guidelines assures seminar management and content that is superior in quality, timely, and relevant to teacher needs.

Taft Seminar Topics

Taft Seminars focus on topics that will enhance understanding of:

1) Principles of American constitutional government
2) The two-party system: what it means, how it operates, advantages over single party and multi-party governments
3) Functions, organization, roles of the Republican and Democratic Parties
4) Selecting and electing representatives
5) Decision making in local, state, national legislatures
6) Role and responsibilities of elected public officials
7) Lobbying and interest groups in American politics
8) The role of a free press, and importantly
9) The role of the individual citizen

Taft Seminar Faculty

The heart of all Taft Seminars and the quality that makes them unique is the make-up of the faculty. The people, who make the political system in America work, teach the teachers. In a typical Taft Seminar, 30 teachers meet daily for two to three weeks with 30 Republican and Democratic party leaders, elected officials, lobbyists, press representatives, and other political practitioners, share their insights and experiences, and explore ways in which teachers can effectively teach their government classes and help their students understand their individual responsibilities in self-government.

10/4/79

Taft Seminar Faculty continued

Each Taft Seminar is organized on a bipartisan basis, and speakers are evenly balanced between Republicans and Democrats. Leading political figures, who have served on Taft Faculties ten or more years, are Oklahoma Senator Henry Bellmon, the late Minnesota Senator Hubert Humphrey, Indiana Governor Otis Bowen, former Minnesota Congressmen Donald Fraser and Clark MacGregor. In addition to Senator Bellmon, current members of the United States Senate who have participated in Taft Seminars include:

Dennis DeConcini (D-Ariz.)
David Pryor (D-Ark.)
Alan Cranston (D-Calif.)
Gary Hart (D-Colo.)
Joseph R. Biden, Jr. (D-Del.)
Richard Stone (D-Fla.)

Samuel Nunn (D-Ga.)
Frank Church (D-Idaho)
Birch Bayh (D-Ind.)
Richard G. Lugar (R-Ind.)
John C. Culver (D-Iowa)
Nancy Kassebaum (R-Kan.)

Robert Dole (R-Kan.)
Charles McC. Mathias, Jr. (R-Md.)
Paul S. Sarbanes (D-Md.)
David Durenberger (R-Minn.)
Rudolph E. Boschwitz (R-Minn.)
Thad Cochran (R-Miss.)

James J. Exon (D-Neb.)
Edward Zorinsky (D-Neb.)
Robert Morgan (D-N.C.)
Howard M. Metzenbaum (D-Ohio)
David L. Boren (D-Okla.)
John H. Chafee (R-R.I.)

Claiborne Pell (D-R.I.)
Howard H. Baker, Jr. (R-Tenn.)
James R. Sasser (D-Tenn.)
John Tower (R-Tex.)
Jake Garn (R-Utah)
Orrin G. Hatch (R-Utah)

Harry F. Byrd, Jr. (I-Va.)
John W. Warner (R-Va.)
Henry M. Jackson (D-Wash.)
Jennings Randolph (D-W.Va.)
Alan Simpson (R-Wyo.)
Malcolm Wallop (R-Wyo.)

In any one year, more than 1,000 political experts become members of Taft Faculties. Represented will be 50 - 60 United States Senators and Representatives, 50 governors and mayors, 140 state legislators, 75 county and local officials, and some 130 Republican and Democratic party leaders from the precinct level to the national committees.

10/4/79

Taft Seminar Faculty continued

The political scientists, who serve as local Taft Seminar directors, prepare the teachers for the sessions with the political practitioners with lectures, readings, questions and discussion. The balance between theory and practice opens up for the teachers areas of political inquiry to which they would normally have little or no access.

Taft Seminar Texts

The Taft Institute publishes the "Taft Practical Politics" series of booklets. Authors chosen are political experts whose intellectual interest in politics is complemented by practical experience. Publications are designed as seminar texts which can be re-used by teachers in their own classrooms. Completed at this time are the following:

"Constitutional Government in the American Setting"
by Richard H. Leach

"The Republicans and the Democrats - Similarities and Differences"
by Arthur L. Peterson and William C. Louthan

"The Politics of Delegate Selection"
by Donald Bruce Johnson

"Who Votes and Why"
by Schley R. Lyons and William J. McCoy

"The Use of Polls in Political Campaigns"
by Richard G. Smolka

"The American Presidency: Myths and Realities"
by Harold M. Barger

Near-future additions to the booklet series include one on the two-party system, a second on teaching ideas for secondary schools, and a third on teaching techniques for treating American democracy in elementary schools.

10/4/79

Impact of Seminars

The impact of the Taft Seminars is highly significant.

Evaluation reports confirm that virtually all teachers emerge with deeper knowledge of the political system, new respect for the two-party process, and invigorated commitment to the American system and to their own role as teachers. This has import when one considers that teachers can only transmit to students what they themselves understand.

In 17 years of operation, Taft Seminars have enhanced political insights and instruction of close to 12,000 teachers who, in turn, affect the learning and lives of 2 million young people annually.

Furthermore, the benefits of these programs have gone far beyond the Institute's first objective -- to increase teachers' understanding. Wherever conducted, the Seminars radiate political awareness into local communities. The local directors become political consultants, called upon by the media, schools, and civic organizations; participation in local politics is motivated; the seminar directors and the teachers become Democrat and Republican party leaders; some run for public office; radio and television programs are developed; courses on practical politics are added at high schools and at colleges and universities; research is conducted on aspects of politics and disseminated through Taft publications; and much, much more. It is hard to measure the extended impact on teachers' colleagues, on elementary and secondary school students, on college and university faculties and students, on parents, and on the general public.

Testimony Given by
Marilyn Chelstrom
Before Subcommittee on Education
Page 10

THE ROBERT A. TAFT
Institute of Government

Impact of Seminars continued

The following comments from teachers who completed 1979 Taft Seminars illustrate how the experience literally changes the lives of those who take part.

> "My attitude toward the two-party system and politics in general has changed for the better. I now realize the importance of a strong two-party system ... and the importance of being involved in the political process..."
> ...Margo J. Byerly, Indiana State University

> "I plan to maximize the opportunity for my students to actively participate in politics by role-playing in simulations, writing letters, working in campaigns, attending meetings..."
> ...Wayne Brunt, George Washington University

> "The seminar helps one understand that politicians are people, too."
> ...Jo Ann Steed, Arkansas State University

> "I had previously been a cynic in regard to parties... I now much better appreciate the role they play, especially in regard to the nomination of candidates."
> ...Margaret Ormond, Connecticut College

> "I had experienced a sense of apathy and cynicism since Watergate. All the things I believed about our political system had been challenged and I wasn't sure what was happening. These (politicians) reminded me that the system does work, and that talented and dedicated people still serve our country ... I can pass this on to my students."
> ...Charlotte Bellah, Northern Arizona University

> "Few individuals realize what the Taft Institute realizes: that in order to change attitudes toward government one has to begin at the grassroots. And what better influence than a teacher."
> ...Frances Amdahl, University of Iowa

> "I believe Taft Seminars hold America's future. If they cannot turn voter apathy around, nothing will."
> ...Tom Cockerham, Eastern Kentucky University

> "Frankly, I thought of parties as 'evils' and I've made a 180 degree turn."
> ...Joan Kesecki, University of Wisconsin

10/4/79

Impact of Seminars continued

"I knew very little about the workings of the two-party system -- I did not even know the parties have recently declined in strength. I had a vague feeling 'parties' were crooked. Now I see there are devoted politicians, and that the two-party system is a necessary part of our democratic system."
...Mally Sue Henning, SUNY at Albany

"I must get involved in politics...I want my students to become involved and aware of their part in the process."
...Francis Truman, University of Scranton

"I have more confidence in (my) ability to field questions/comments on the 'system.'"
...Robert Nolan, Rhode Island College

"I now feel that my participation in politics is not only necessary but can be beneficial. I never felt that my participation would make a difference. I do now."
...Patricia Green, University of Scranton

"I have easily tripled my knowledge of the political scene and democracy in general. I will pass on my findings to my students."
...Gary Peters, Pepperdine University, Calif.

"I feel that I will be a more realistic librarian. I will be better informed and will be more effective in dealing with students and teachers. One cannot nap as comfortably in the political world after this course."
...Louise Balch, University of Mississippi

"I teach second grade...Next year I do plan to incorporate some basic ideas of government in my class. It is never too early to start."
...Barbara Chasteen, University of Missouri

"The sessions have made me reconsider my views of the two-party system — thinking now it may be more important than I previously thought."
...David Duffey, Rhode Island College

"This seminar awakens the participants to political involvement and responsibility. We are told not only 'how to' but 'why we must' be involved. If every Taft Seminar carries this impact, the effects should be felt in every part of the country, and the results will be a 'government of, by, and for the people'..."
...Joyce Mosher, Eastern Kentucky University

10/4/79

Impact of Seminars continued

It is clear that all teachers leave Taft Seminars with improved knowledge. With greater authority in the subject area of politics and government, they have a better chance to capture students' attention. Beyond this, the teachers are instilled with an excitement about the ways for individuals to be effective in the system. Enthusiasm is catching. The impact of inspired teachers on students' lives can be profound.

Teachers from all fifty states have participated in 381 programs conducted on 81 college and university campuses in 39 states and in the District of Columbia. Following are the states:

State	Number of Taft Institutes	State	Number of Taft Institutes
Alabama	5	Missouri	5
Arizona	11	Nebraska	5
Arkansas	3	New Hampshire	1
California	25	New Jersey	8
Colorado	4	New York	39
Connecticut	6	North Carolina	13
Washington,D.C.	11	North Dakota	1
Florida	7	Ohio	30
Georgia	6	Oklahoma	12
Illinois	6	Pennsylvania	19
Indiana	12	Rhode Island	8
Iowa	3	South Carolina	7
Kansas	7	Tennessee	12
Kentucky	8	Texas	16
Louisiana	1	Utah	9
Maryland	4	Virginia	10
Massachusetts	4	Washington	6
Michigan	12	West Virginia	11
Minnesota	16	Wisconsin	9
Mississippi	3	Wyoming	5

Alaska, Delaware, Hawaii, Idaho, Maine, Montana, New Mexico, Nevada, Oregon, South Dakota, and Vermont have yet to host the Taft Seminars.

10/4/79

Proposal for Expansion of Taft Political Education

The Taft Institute has made an imprint on political education and has inspired positive thinking -- and doing -- in the field of American two-party politics. It has the expertise and experience to build a more effective program. Enabling the Institute to broaden the work it has to date carried out successfully on a relatively small scale could benefit the entire country.

It is here proposed that federal support of $15,000,000 be granted to establish a trust fund for The Robert A. Taft Institute of Government, which would produce income to match on a 50/50 basis all income generated annually by the Taft Institute from private sources.

It is the full intent of the Trustees and Staff of the Taft Institute of Government to continue the vigorous fund raising efforts which have made possible a gradual increase in the Taft program since its beginning in 1963 (one program; $50,000 budget) until 1979 (37 programs; $800,000 budget.) Over these years more than $5 million dollars have been raised through gifts and grants from individuals, corporations and foundations.

It is further proposed that federal funding will enable the Taft Institute to enlarge and improve its effort to build understanding of the two-party system, and of the roles of political parties in sustaining American democracy by:

1) Continuing the proven Taft Seminars to help more teachers improve their understanding of the American political system so that they in turn will be better prepared to develop a commitment among young people to participate in the process.

2) Expanding the number, adding programs in states with large populations and beginning programs in states not holding such seminar to date. The immediate goal is 50 annual Taft Seminars.

10/4/79

Proposal for Expansion of Taft Political Education continued

3) Enriching, strengthening and adding to the many forms of political education emanating from the Taft Seminars.

4) Conducting research on the functioning of political parties; providing forums for exploring how well they perform as primary political institutions, and recommending ways in which they can be strengthened, realigned, or rebuilt to carry out their unique functions in the American political system.

5) Exploring and, when feasible, inaugurating efforts to transfer the Taft Seminar format to additional audiences.

6) Transmitting to citizens over the country, through publications, newsletters and other media, information and material on the two-party system and the role of the Democratic and Republican Parties.

7) Encouraging citizens over the country to accept their responsibilities in self government.

As far as we know, no other organization works for these objectives.

This testimony is presented on behalf of the officers and members of the Board of Trustees of The Robert A. Taft Institute of Government. Their names follow:

Thomas R. Shepard, Jr. Chairman	Former Publisher, LOOK Magazine Greenwich, Connecticut
Marilyn Chelstrom President	(non Trustee) Chief Operating Officer New York City
Hon. Clark MacGregor Vice Chairman	Vice President, United Technologies Corporation, Washington, D. C. (former U.S. Congressman/Minnesota)
Hon. Frank Pace, Jr. Vice Chairman	President, International Executive Service Corps, New York City
Lowell Wadmond Vice Chairman	Senior Partner, White & Case New York City

10/4/79

Board of Trustees continued

Jeremiah Milbank Treasurer	Investment Management New York City
Ross Reid Secretary	Vice President, Squibb Corporation New York City
Marion J. Epley, III Counsel	Partner, White & Case New York City
Anne L. Armstrong	Former U.S. Ambassador to England Kingsville, Texas
Theodore F. Brophy	Chairman and CEO, General Telephone and Electronics, Stamford, Connecticut
Reed Coleman	President, Madison-Kipp Corporation Madison, Wisconsin
Karl Eller	President and CEO, Combined Communications, Phoenix, Arizona
Edward J. Gerrity, Jr.	Senior Vice President, International Telephone and Telegraph Corporation, New York City
Dr. Jeane J. Kirkpatrick	Dorothy and Thomas Leavey University Professor in the Foundations of American Freedom, Georgetown University; Resident Scholar, American Enterprise Institute, Washington, D. C.
William F. May	Chairman and CEO, American Can Company Greenwich, Connecticut
Hon. James G. O'Hara	Attorney, Patton, Boggs & Blow Washington, D. C. (former U.S. Congressman/Michigan)
Dr. Arthur L. Peterson	Ohio Wesleyan University Delaware, Ohio
William Wood Prince	President, F. H. Prince & Co., Inc. Chicago, Illinois

Board of Trustees, continued

Dr. Louis T. Rader	The University of Virginia Charlottesville, Virginia
Mrs. R. Randolph Richardson	Elementary and High School Educator New York City
Hon. Terry Sanford	President, Duke University Durham, North Carolina (former Democratic Presidential candidate)
Hon. Mary Louise Smith	Former Republican National Chairman Des Moines, Iowa
Hon. Robert Taft, Jr.	Taft, Stettinius & Hollister Cincinnati, Ohio and Washington, D.C. (former U.S. Senator/Ohio, and son of man for whom Institute is named.)
Leon J. Weil	General Partner, Herzfeld & Stern New York City
Hon. William E. Brock (ex officio)	Chairman, Republican National Committee, Washington, D.C.
Hon. John C. White (ex officio)	Chairman, Democratic National Committee, Washington, D.C.

# # # # # # # # # # # #

The Robert A. Taft Institute of Government
420 Lexington Avenue
New York, New York 10017
(212) 682-1530

10/4/79

Senator Pell. Senator Stafford?

Senator Stafford. Thank you, Mr. Chairman.

I simply want to say I regret not being here when the committee meeting started. Then I could have had the opportunity to greet some old friends, like Bob Taft, who was my seatmate in the Senate for several years; Jim O'Hara, with whom I served in the House, and of course my present colleague in the Senate, Henry Bellmon. And I am well aware of the contributions that the Taft Institute has made throughout the country in civic education and teaching realistically about the political process. So I enjoyed hearing Mrs. Chelstrom discuss that.

I understand that Barry Goldwater was here also. It is something of a tribute to the ability of Senators and former House Members to speak very quickly, that they had all completed their statements before this Senator was able to arrive.

I am grateful to all of you for the brevity and the clarity of your statements.

Senator Pell. Thank you, Senator Stafford.

I would like to enlarge on that for the following witnesses. I have said repeatedly—and I have sat in this chair for 10 years as chairman now—that the thing that goes in your mind is not what is read by rote; that is put in the record, and we study it. But it is the one or two points that you make extemporaneously, and that is why we have, except as a matter of courtesy with our colleagues, the 5-minute rule, with those bells and the lights. And you can see that those who are more experienced, such as the Members of Congress, take the least time. And I would invite this to the attention of all of you who will be following this panel.

I think this program is a wonderful one. I have participated in it. It is truly bipartisan in programing. I notice the trustees, I think, are predominantly one party, but the important thing is the effect of it in the community as a whole, and it is completely bipartisan and, I think, very good indeed.

I would invite Mrs. Chelstrom's attention to the fact that, speaking as a Democrat, we do not like to be called the Democrat Party. We really prefer to be called the Democratic Party. And it is kind of a giveaway when we are called the Democrat Party about the thinking of the person who calls us a Democrat Party. So as a general rule, I think that it would be advisable not to call us that. [Laughter.]

Senator Pell. And as I say, having experienced it in the field, it is truly bipartisan and truly, I think, a great program. And I know what joy it must give Senator Taft. I know how much I admired my father, who was a much lesser statesman than was he. And it must give much joy to Senator Taft to see this program going along the way it is.

Now, I have a couple of——

Senator Stafford. Mr. Chairman, I was going to observe, in view of your comments about the Democratic Party, that maybe the efforts of the institute should be called "Republicrat." [Laughter.]

Senator Pell. As I read your bill, it is a marvelous idea, but it both authorizes and appropriates $15 million in the Taft Institute fund. This committee cannot authorize and appropriate, but the legislation implies this. Senator Bellmon, I wonder if this is really what it means.

Senator BELLMON. No, Mr. Chairman. Perhaps we overstepped our bounds when we said "appropriated". It will have to go through the appropriations process. And as a member of the Appropriations Committee, I believe I can say with some safety that at least on the Senate side, the appropriation will follow.

Now, when we wrote the bill, interest was somewhat less than it is now. We have in here $15 million. That would produce under present interest rates some $1.5 million a year. So we may not be able to get the full $15 million, but I believe the Taft Institute, as I understand, has been raising about $750,000 a year, with a projected budget of over $1 million in the coming years. It was our intention to try to match that. So I would not want to assure you that we can get the full $15 million, but I believe I can assure you that the Appropriations Committee on the Senate side will look with favor on a sizable appropriation.

Senator PELL. And it should really be a fairly inexpensive program, because I know, whereas Senators and Congressmen normally accept honorariums, for your program, they never do—at least, that is my understanding. And I think for the dollars spent, you get a tremendous impact. I really congratulate you on it.

Traditionally, when this subcommittee has authorized a program as a memorial to an individual, it specifies that there will be no other memorial, and this would be the sole memorial, to avoid a proliferation of programs. Would you object to the addition of this provision in the bill?

Senator BELLMON. Mr. Chairman, I have no objection at all.

Senator PELL. Senator Taft?

Senator TAFT. There is no other memorial, other than the bell tower which I mentioned, which is already the property of the Congress. That was done with private funds.

Senator PELL. If the Federal moneys from the fund match private contributions, how long do you think it would take for the Taft Institute to receive the full $15 million appropriation?

Maybe Mrs. Chelstrom could answer that.

Senator BELLMON. Well, Mr. Chairman, it was intended that the $15 million be used to establish a trust fund, and that the earnings on the trust fund would go to the institute. Therefore, it would last indefinitely. The $15 million would generate the revenues each year which the private sector would match.

Senator PELL. If it was well-invested, that is.

Senator BELLMON. Well, I assume it would be invested in Government securities, and that is about as good as you can do, I guess.

Senator PELL. I am not sure the trustees would want to invest it in Government securities.

Senator BELLMON. I do not believe the funds will be turned over to the trustees to invest.

Senator PELL. That would be left up to them as to how they invested it. But they would not be mandated to put it in Government securities.

Senator BELLMON. No. I believe that the fund would simply stay in the Treasury, and the interest would go to the trustees, is the way we intended to structure the bill.

Senator PELL. I see. Thank you very much.

Senator Stafford?

Senator Bellmon. Mr. Chairman, I would just like to point out in connection with the observation that this is truly bipartisan, that on page 7 of the prepared testimony of Mrs. Chelstrom, there is a list of Members of the Senate who have served on the faculty of the Taft Institute. I went through and added up the number of Republicans and Democrats. There are 15 Republicans, and 21 Democrats, plus Harry Byrd. So I think that whether they intended it or not, they did succeed in a pretty good bipartisan mix.

Senator PELL. I completely agree with you from the viewpoint of programing, and as I said, am grateful to it for the opportunities it has given me to exchange ideas with the teachers in my State.

There is one group of people who should be trained in this way and exposed to politics, and it is teachers, because they have the impact on the next generation, as Mrs. Chelstrom so well expressed.

I want to thank you all very much indeed. Thank you, Senator Bellmon, Senator Taft, Congressman O'Hara, and Mrs. Chelstrom, for being with us.

Senator PELL. Our next panel is from the American Library Association. Dr. Charles Churchwell, university librarian, Washington University Libraries, St. Louis, Mo.; Dr. Thomas Galvin, School of Library and Information Science, University of Pittsburgh; and Ann Turner, librarian at the Norwich University Library, in Norwich, Vt.

Welcome, library panel. I remember Dr. Churchwell when he was librarian at Brown University. I remember we talked on the telephone a couple of times. I am very glad to see you here.

I also want to extend the greetings of Senator Eagleton, who wished he could have been here this morning, but he is involved in debate on the Senate floor and hopes to join us later. But I know of the high regard that Senator Eagleton has for Dean Churchwell, and in his behalf, I welcome you, too.

Dr. Galvin?

STATEMENTS OF THOMAS GALVIN, DEAN, SCHOOL OF LIBRARY AND INFORMATION SCIENCE, UNIVERSITY OF PITTSBURGH; CHARLES CHURCHWELL, UNIVERSITY LIBRARIAN, WASHINGTON UNIVERSITY LIBRARIES, ST. LOUIS, MO.; AND ANN TURNER, LIBRARIAN, NORWICH UNIVERSITY, NORWICH, VT., A PANEL

Dr. GALVIN. Thank you, Senator Pell.

Senator PELL. I just want to explain how these lights work. The green is for 4 minutes; the yellow is a minute; and then the red means the time is up, so that we can ask questions.

Dr. GALVIN. Thank you, Senator.

My name is Thomas J. Galvin. I am dean of the School of Library and Information Science at the University of Pittsburgh, and I am also president of the American Library Association. Also representing the American Library Association are Dr. Charles Churchwell, dean of library services, Washington, University, St. Louis, Mo., and Miss Ann Turner, librarian at Norwich University Library, Northfield, Vt.

I would like to take this opportunity to call attention to the fact that the first White House Conference on Library and Information Services will take place about 1 month from now.

We would like to extend our deep appreciation to you, Senator Pell, for your vision and leadership in introducing in January 1973, the initial legislation calling for a White House Conference.

We appreciate this opportunity to speak in support of the reauthorization and expansion of titles II-A, II-B, and II-C of the Higher Education Act.

The American Library Association considers the continuation of these programs of great importance to all types of libraries, and to the quality of service those libraries give to our citizens.

We also believe that reauthorization offers a timely opportunity to create a national periodicals center, to restore permissive statutory language for preferential telecommunications rates for libraries, and to consider the appropriate placement within the new Department of Education of the activities now administered by the Office of Libraries and Learning Resources in relation to other nontraditional learning approaches and in relation to educational technology.

Senator, with your permission, Ms. Turner would like to speak to title II-A, and I would like to then speak with respect to title II-B.

Senator STAFFORD. Ms. Turner, before you begin, Mr. Chairman, if I may, I would just like to express my personal appreciation as a fellow Vermonter that you are here. A week ago this weekend, I was in Northfield at Norwich University, at some events that were occurring there.

We are very happy to have you here. I know that you have served the University with distinction as its librarian, so your testimony will be considered very valuable by this subcommittee and the full committee.

Mr. Chairman, in view of the constraints of time we are facing, I would ask that my 3-page statement that I have be made a part of the record at this point in the hearing.

Senator PELL. Without objection, it will be included.

STATEMENT OF HON. ROBERT T. STAFFORD, A U.S. SENATOR FROM THE STATE OF VERMONT

Senator STAFFORD. I would like to welcome Ann Turner, fellow Vermonter and Norwich University librarian. I think she will provide interesting testimony on the way in which title II has had wide impact in Vermont through the networking of our college libraries.

Many years ago I learned that the library is the heart of the college. More recently I have learned that our libraries are in serious difficulty because of changed circumstances.

As our public libraries are experiencing parallel troubles, I hope, Mr. Chairman, that we will address the growing problems of libraries more broadly in conjunction with the November White House Conference on Libraries and Information Services. I think we need to focus, hopefully soon, on the whole national library system and how it ought to function, and in this regard I look forward to testimony on the proposed National Periodicals Center.

Just 2 days ago before this subcommittee, Georgetown University's president, Father Healy, was particularly animated on the subject of libraries, and I am aware that in one college president's annual report after another, the state of the library is singled out for special concern.

The latest shocker from my home State appears in the University of Vermonts fiscal year 1980 and fiscal year 1981 legislative appropriation request, which indicates that inflation has had a greater impact upon library acquisition costs than upon any other element of the university's budget, including the much-heralded energy costs.

Inflation has caused all of our colleges to defer acquisitions and many of them to neglect preservation. The effect is cumulative—and increasingly crippling for learning, teaching, and research. Compounding the problem of inflation, which has reached the point that subscriptions to scientific journals now commonly exceed $100 per year, is the enormous growth in the number of books and professional journals.

I hope we can address the problems of two different kinds of college libraries today.

In Vermont we have mainly small college libraries. All of them have received title II funds, and all of them need the help and more of it. Our appropriation is simply inadequate.

Our smaller libraries are dependent upon the resources of our research libraries. We have not paid much attention to research libraries in this committee, but they are crucial to this country's scientific effort and our knowledge about the rest of the world.

I would like to point out that our research libraries have not only a large-scale version of the same problems as the small college libraries, but also a basically distinct problem of relatively recent origin. Their special problem is that, because only 40,000 of the world's annual production of 500,000 books are published in the United States, they necessarily buy very heavily abroad; for example, Stanford University uses more than 60 percent of its entire acquisitions budget for foreign materials, while Cornell spends 40 to 50 percent of its entire book budget in Western Europe.

The devaluation of the dollar and rates of inflation that are even higher abroad than here at home, for example, in Britain, are having a devastating effect upon the ability of our research libraries to perform their function. It is not in our national interest to have them stop subscribing to Soviet or German scientific publications. Yet in the last 6 years the purchasing power of the dollar has declined by more than 50 percent against the German mark.

We did not have this problem at the time of our last reauthorization, but I believe it is now time to look at the problem of our research libraries. The nature of their difficulties is one of the factors that leads me to suggest that we need soon to consider the future of our whole national library system—or nonsystem—so that we can met our various needs efficiently and cost effectively.

Mr. Chairman, I will be very interested in what our witnesses will have to say about these concerns.

Senator **Pell**. Ms. Turner?

Ms. **Turner**. Thank you, Senator Stafford.

I am here today to demonstrate the need to retain title II-A of the Higher Education Act. Although my school has an enrollment of fewer than 1,500 students, it is the third largest of 20 colleges in Vermont. The others with even small enrollments are, nevertheless, important institutions of higher learning, urgently needed by students in all parts of the State.

In the United States today, there are about 2,000 colleges with fewer than 2,500 students. Each one of these colleges plays a critical role in the education of our young men and women. In these small colleges, professors have an ideal teaching and learning environment. Whether their college is in a city or in a rural area, teachers really get to know their students. They know their problems and their needs, and they can impart their knowledge and philosophy on a very personal basis. The students themselves are ultimately the benefactors of a genuinely rewarding academic experience.

Every State in the Union has these small colleges. Although the larger universities get the publicity and can boast of vast research facilities vital to graduate studies, it is the small colleges that comprise the majority and add the diversity to our institutions of higher education.

Many of these smaller institutions have devoted and generous alumni. Few have the large endowments, the expert fundraisers, or the sponsored research projects that bring in money. To these colleges, the $5,000 originally given each year by the Federal Government under title II-A was extremely important, a most significant sum of money in the operation of small libraries.

I know Vermont college libraries the best, and I know what vital books they buy. Johnson State has built up its music collection, Bennington College its drama collection, Vermont College reference books for its nursing program, Middlebury has used title II-A grants to augment its American literature collection, Lyndon State its books on meteorology, Vermont Technical College on engineering, and St. Michaels its books on business administration.

You will note that each school has a difference specialty and a special need. The resource materials bought by one particular college become available to students throughout the State through a close network of interlibrary loans.

Small-college librarians have found that the large universities in other States are no longer uniformly generous about lending their books and periodicals.

Because of the escalating costs of materials, postage, and staff salaries, many large universities now charge dearly for the materials that they do lend to smaller colleges.

Norwich University's student population is relatively small, but our professors endeavor to provide each student with a quality education. Some very vital reference tools are now so expensive that we can no longer afford them, and yet, we cannot do without them.

For example, the "Biological Abstract," an indispensable tool for biology majors, now costs over $1,000. "Chemical Abstracts" costs over $3,000.

We cannot afford to spend a large portion of our library budget on one area of study. Our students travel 50 miles one way to use these texts at the University of Vermont.

We have an outstanding Russian language school, and we are very proud of it. We can boast of having Alexandr Solzhenitsyn as a guest lecturer for several days, long before he appeared at Harvard. This summer, we had Alexander Ginzberg visit us.

The Norwich University Russian school prepares young Americans for positions in the United Nations, in the State Department, and in the Foreign Service. We must have first-rate materials to work with.

One Russian reference set, "The Soviet Encyclopedia," costs $45 per volume, and so far is up to 20 volumes. A Spanish encyclopedia that we bought from Spain cost over $800.

In order to meet these expenses, we have had to raise our tuition. This places an additional burden on parents, particularly those middle-income families who are not eligible for financial aid.

The librarians in my State and everywhere are particularly proud of the title II part that requires college administrators to maintain effort. By that, I mean they must demonstrate their current budgets for all library purposes and for library materials are equal to their average expenditures. Administrators must also guarantee that title II-A funding is being spent for stipulated items and not for typewriters, audiovisual equipment, or the football team.

We also recommend that maintenance-of-effort provisions be strengthened to permit waivers only under very unusual circumstances.

We do need help everywhere that we can get it. As you can see, the title II grants have had a cumulative effect which have been very significant.

I urge you not only to extend title II-A, but to strengthen the maintenance-of-effort provision and to increase the authorization for the college library resources grants from $5,000 to $10,000. I realize that the economy is tight. However, the education of our young people and the encouragement of small colleges to educate them properly should be, I think, a matter of deep concern to the Congress of the United States.

Thank you.

Senator Pell. Thank you very much.

[The prepared statement of Ms. Turner follows:]

Statement of Ann Turner
Librarian
Norwich University, Northfield, Vermont
before the
Subcommittee on Education, Arts and Humanities
of the
Senate Committee on Labor and Human Resources
on reauthorization of the Higher Education Act
October 4, 1979

My name is Ann Turner. I am head librarian of the Norwich University Library in Northfield, Vermont. I am here today to demonstrate the need to retain Title II-A of the Higher Education Act.

Although my school has an enrollment of fewer than 1,500 students, it is the third largest of twenty colleges in Vermont. The others with even smaller enrollments are, nevertheless, important institutions of higher learning, urgently needed by students in all parts of the state.

In the United States today there are about 2,000 colleges with fewer than 2,500 students. Each one of these colleges plays a critical role in the education of our young men and women. In these small colleges, professors have an ideal teaching and learning environment. Whether their college is in a city or in a rural area, teachers really get to know their students. They know their problems and their needs, and they can impart their knowledge and philosophy on a very personal basis. The students themselves are ultimately the benefactors of a genuinely rewarding academic experience.

Every state in the union has these small colleges. Although the larger universities get the publicity and can boast of vast research facilities vital to graduate study, it is the small colleges that comprise the majority and add the diversity to our institutions of higher education.

Many of these smaller institutions have devoted and generous alumni, but few have the large endowments, the expert fund-raisers, or the sponsored research projects that bring in money. To these colleges the $5,000 originally given each year by the federal government under Title II-A was extremely important, a most significant sum of money in the operation of small libraries. I know Vermont college libraries the best, and I know what vital books they bought. Johnson State has built up its music collection, Bennington College its drama collection, Vermont College reference books for its nursing program. Middlebury has used Title II-A grants to augment its American literature collection, Lyndon State its books on meterology, Vermont Technical College its books on civil engineering, St. Michaels its books on administration.

You will note that each school has a different specialty and a special need. Although the resource materials are bought by one particular college, they become available to students throughout the state through a close network of interlibrary loans. Small-college librarians have found that the large universities are no longer uniformly generous about lending their books and periodicals. Because of the escalating costs of materials, postage, and staff salaries, many large universities now charge dearly for the materials that they do lend to smaller colleges. Naturally, their primary concern is for their own students and faculty, a constituency that can number upwards of 40,000.

Although Norwich University's student population is relatively small, our professors endeavor to provide each student with a quality education. Unfortunately, some very vital reference tools are now so expensive that we can no longer afford them--and yet we cannot do without them. Take, for example, Biological Abstracts, an indispensable reference tool for biology majors that costs $1,080 a year. Chemical Abstracts costs a staggering $3,000 per year. We just can't afford to spend a large portion of our library budget on one area of study. So our science students must travel fifty miles one way to use these texts at the University of Vermont.

Norwich has an outstanding Russian language school, and we are very proud of it. We can boast of having Alexander Solzhenitsyn as a guest lecturer for several days, long before he appeared at Harvard, and other notables such as Alexander Ginzberg visit our school during the summer months. The Norwich University Russian

School prepares young Americans for positions in the United Nations, in the State Department, and in the Foreign Service. Obviously we must have first-rate mateials to work with. One Russian reference set, The Soviet Encyclopedia, which we cannot do without, costs $45 per volume, and so far has 20 volumes. It is the same with all of our other foreign language texts. A Spanish encyclpedia set, for example, costs $800. In order to meet expenses as great as these have become in recent years, we have had to raise our tuition significantly, thereby placing an additional burden on parents, particularly those in middle-income families who are not eligible for financial aid.

In average terms the price of books has more than doubled since the Higher Education Act was first enacted in 1965, from $7.65 to $19.30. The price of periodicals has more than tripled, from $6.95 to $30.37 for the average subscription in 1979. These cost increases for library resources are ample justification for our recommendation that the II-A college library grant be increased from the current $5,000 to $10,000 for each eligible institution.

Librarians are a close-knit group, particularly in my state. We meet at the state level often and know one another very well. We also meet regularly at the regional level and annually at the national level. Naturally, we compare notes, and one fact we all agree on is that one of the best features of Title II-A is the provision requiring college administrators to maintain effort. By that I mean they must demonstrate that their current budgets for all library purposes and for library materials are equal to their average expenditures for the past two years. Administrators must also guarantee that Title II-A funding is being spent for stipulated items that support library growth, rather than for new typewriters, audiovisual equipment, or football uniforms. We have nothing against football, but we do like that feature of Title II-A.

Current regulations allow considerable leeway for waivers of maintenance of effort, however. We recommend that maintenance-of-effort provisions be strengthened to permit waivers only under very unusual circumstances such as theft, vandalism, fire, flood, earthquake, or other occurrences which may temporarily reduce the level of expenditures for library materials and total library purposes, or where such an occurrence resulted in unusually high expenditures.

As you know, the small private colleges in our country are finding it very difficult, in many cases impossible, to maintain quality programs. In my own state of Vermont, Windham College recently closed its doors for good. Bennington College, one of the most prestigious liberal arts colleges in America, has made public the financial problems that seriously threaten its continued existence. Norwich's neighbor, Goddard College, cited by Time magazine a decade ago as one of the top ten colleges in the United States, is struggling desperately to survive. Even our tax-supported state colleges are deeply concerned about their future as they fight off bankruptcy.

Norwich has been producing great men in all professions and in all walks of life for 160 years, even though the going has been tough at times, and we have no intention of quitting now. Nor has Middlebury, St. Michael's, Trinity, or any other small college in Vermont that is equally proud of its heritage and its graduates.

But we do need help wherever we can get it. Although the II-A grants have been small, the cumulative effect has been significant, as highlighted in an article in the September 1979 issue of the Journal of Academic Librarianship, "Title IIa--A Bargain at the Price: A Symposium." We have supplied copies for members of the subcommittee, and I would recommend that the article be made part of this hearing record.

In conclusion, I urge you not only to extend Title II-A, but to strengthen the maintenance-of-effort provision and to increase the authorization for the college library resources grants from $5,000 to $10,000. I realize that the economy is tight. However, the education of our young people and the encouragement of small colleges to educate them properly should be, I think, a matter of deep concern to the Congress of the United States. Thank you.

the Journal of
Academic Librarianship

Title IIa—A Bargain at the Price: A Symposium

Contributions by Richard M. Dougherty, Robert B. Ford,
Edmund G. Hamann, Joseph A. Boissé, James L. Mullins,
Lawrence E. Wikander, Alvin Skipsna, Ann Turner,
Eula Windham, David H. Eyman, John Zimmerman,
Marjorie C. Dennin, Arthur H. Miller, Jr., and Evan I. Farber

An offprint from the Journal of Academic Librarianship,
September 1979 (vo. 5, no. 4) p. 188-1[illegible] Copyright
1979 by the Journal of Academic Librarianship.

Title IIa—A Bargain at the Price: A Symposium

Richard M. Dougherty
Editor, JAL

The Title IIa program has provided financial assistance to libraries for over ten years. As is so often the case, legislators tried to give a little to everybody, thus following the politicians' time-honored practice of legislative pork barrelling. Only in this case, providing something for everybody was appropriate to the need. Title IIa funds have provided indispensable support to institutions, including those in greatest need. Title IIa also offered equal assistance to the larger and wealthier institutions that had no urgent financial need, but then these institutions never claimed to have pressing needs. They only submitted applications because they qualified for the funds. In retrospect, the failure to base awards on demonstrated need may have been a mistake in judgment. Legislators had unintentionally sowed the seeds of failure by blurring the distinction between the needy and the not-so-needy institutions.

The mood of the 96th Congress barely resembles the congressional spirit that championed the socially oriented legislation of the 1960s. Congress now wants to eliminate expenses that are judged periferal to national priorities. We agree that the federal budget is bloated, but we submit that quality education is still in the national interest. The need for support of small college libraries was never greater.

All recent presidents regardless of political affiliation have supported the goal of an informed citizenry which requires a strong open library system. President Carter, as one of our contributors notes, has been quoted as follows:

> If we are to have an educated and informed population, we need a strong and open library system supported by a committed administration. We cannot call for a revival of quality education in America and close our libraries. We cannot ask our children to learn to read and take away their books.

Ironically, the Title IIa program may have been so modest in contrast with most federally funded programs that its tangible benefits may have been overlooked. Librarians, too, have tended to take the annual Title IIa awards for granted. Based on our response for this symposium, it is tempting to hypothesize that Title IIa funds have indeed benefited libraries in a variety of ways. In smaller institutions, as exemplified by Medgar Evers, the dollars provided essential support of basic collection development and services, whereas in the larger institutions, such as Skidmore College, the funds have made it possible to enrich programs and to facilitate participation in regional resource-sharing programs. Weren't these the goals Congress wanted to promote?

Clearly, Title IIa funds have been most important to the smaller and recently established colleges. The funds have also provided budgetary leverage through the matching mechanism. If the Title IIa program is terminated, more than likely

The Journal of Academic Librarianship, vol. 5, no. 4, p. 188-199
©1979 by the Journal of Academic Librarianship. All rights reserved.

some small libraries will suffer budget cuts on the order of 10 to 30 percent. This would be a severe consequence, particularly during this period of stable book budgets and spiraling prices.

The Title IIa program has been a success and we must convince Congress that it merits continued funding even amidst this period of fiscal conservatism. This program is a bargain at the price. It's a shame that the profession has not devoted more time communicating what a bargain it really has been.

We believe the testimony offered by our contributors can be echoed by librarians throughout the country. It is the responsibility of college and junior college librarians to inform their congressmen of how Title IIa has benefited their library. If librarians fail to convince Congress, then they had better begin to consider what to tell faculty and students when the budget must be pared; that is—what will be cut from next year's book budget.

It is our view that the Title IIa program should be overhauled so that awards are granted only to institutions in which need is most demonstrable. We are referring to small colleges and colleges which have been traditionally deprived, such as predominately black schools in the southeastern part of the country. The importance of the matching provision should not be overlooked. Congress might even consider ways to tighten the matching provision.

Title IIa funds should no longer be awarded to larger institutions. Instead these funds should be used to increase the basic awards to only those schools that qualify on the basis of need. A basic grant of $3,900 to $5,000 no longer has the purchasing power that it did a few years ago. This erosion would be partially offset if the basic grants were doubled to $10,000.

We hope that readers of JAL will find the anectodal experiences of the contributors beneficial and will be sufficently motivated to share their experiences with others. Recent communications with librarians familiar with the congressional scene lead me to be more optimistic about the prospects of Title IIa funding than I was only a few months ago. Some congressmen may be amenable to persuasion if the arguments are convincing. Our case is strong.

Robert B. Ford
Chief Librarian
Medgar Evers College
Brooklyn, New York

Medgar Evers College is a community college with several baccalaureate programs established in 1970 to serve particularly the educational needs of the residents of central Brooklyn. Since this college is in its ninth year of existence, it is considered to be a developing institution that seeks to increase the number of professionally prepared people in the inner city as well as attempting to break the cycle of poverty and mutual rejection between economically and educationally deprived persons and institutions of higher learning. Its staff strongly believes that the institution has an important contribution to make in elevating the quality of life in the central Brooklyn community.

The mission of the Medgar Evers College library is to facilitate this goal by providing a variety of print and nonprint resources that undergird the instructional programs of the college as well as providing materials that will develop the students' appreciation for cultural heritage and their capacity for creativity, recreation, and self-actualization as reflected through achievement in artistic, musical, literary, and dramatic forms. This is no easy task in this day of shrinking budgets and escalating inflation. That is why developing institutions like Medgar Evers need additional assistance from the federal government through HEA Title IIa funds.

The logical question to be addressed is just what impact, if any, Title IIa funding has had on the Medgar Evers College library. In a word, the impact has been substantial. Over the last seven years, the library has received $22,938 in Title IIa funding. It has chosen to utilize this money by acquiring 37 educational films that focus on subjects of special interest to black Americans as well as other audiovisual materials (cassettes, phonorecords, media kits, etc.) that have expanded and broadened the horizons of our students. According to the media librarian, these materials are among the most popular and heavily used items in the collection. Obviously, the library staff feels that this money was well spent but, without federal funding, these facilities would have remained a dream and not a reality.

Everyone is aware of the fiscal difficulties that the city of New York has faced in recent years. This problem has been acutely felt at the public college and university level and especially in the subarea of support services under which academic libraries are subsumed. The average cost of library books and periodicals continues to rise with no end in sight, while the library budget continues to slowly sink to an incredibly subminimal level. This period of austerity for educational institutions in general, and libraries in particular, is likely to persist for some time to come. The point is that academic libraries, especially in young and developing colleges such as Medgar Evers, will need all the assistance they can get if services and resources are to be maintained at a respectable level. And Title IIa funding should obviously be dispersed to the grassroots level where the majority of Americans can reap the benefits, especially those citizens who have historically been denied equal educational opportunities.

Edmund G. Hamann
College Librarian
Suffolk University
Beacon Hill, Boston

"There may be much fat to be trimmed from federal educational spending, but the government should not be so careless as to remove some of the lean with it."

The basic award of $4,000 under the Higher Education Act Title IIa—College Library Resources Program is presumed marginal from the perspective of a federal government for which such amounts appear to be a trifle. The award's impact upon small college libraries, however, is not trifling. Consider two ways in which the award has benefited a consortium of urban college libraries and one of its members in particular. First, with awards received over the past four years, the College Library of Suffolk University, located in downtown Boston, with a book budget slightly in excess of $100,000, has been able to begin an effective program of buying periodicals in microform, enabling it at one time to expand its title/volume holdings and to conserve space. Since space is at a premium in an inner city school, the acquisition of substantial learning resources in a compact form has become essential, a program which Title IIa has made possible. Second, Suffolk University through reciprocal borrowing shares its periodicals with ten other members of the Fenway Library Consortium, each of which strives to complement the holdings of the others. Most of these libraries are eligible for Title IIa awards of a similar amount. The effect of this award is considerably magnified, therefore, by this cooperative action, resulting in benefits which represents some multiple of the basic $4,000. It should be pointed out that the College Library Resources Program is simple to administer, and the criterion of eligibility is straightforward. There may be much fat to be trimmed from federal educational spending, but the government should not be so careless as to remove some of the lean with it.

"What is needed is a system which recognizes that some institutions have a greater need than others for this support. There is no evidence that any serious effort has been made to devise a method for overhauling the program in order to deal with the situation rationally."

Joseph A. Boissé
Director of the Library/Learning Center
University of Wisconsin—Parkside

The Library/Learning Center at the University of Wisconsin—Parkside cannot state that its budget will be severely crippled by the elimination of HEA Title IIa grants. But neither is it an institution whose resources are so plentiful that these funds will not be missed. The annual grant has been judiciously spent to improve the quality of the collection and its elimination will obviously be missed. To better understand this situation, some historical background is necessary.

The University of Wisconsin—Parkside is a relatively new campus of the University of Wisconsin system. The institution was authorized by a 1965 legislative act and opened its doors in 1969. Located in the urban-industrial corridor of southeastern Wisconsin, its many programs have been designed to focus on the interrelated social, economic, educational, environmental, political, and cultural concerns which accompany life in an urban-industrial society.

As a part of the extensive effort in the early years, to build a collection of materials rapidly, a separate government documents department was established. This unit was charged with developing a collection of documents which would serve the needs of a burgeoning institution.

Unfortunately, it was not possible for the library to become a depository since no such designations were available. The Director of Libraries had extensive discussions with various administrators at the Government Printing Office and negotiated a special arrangement. The university was declared a special depository. This designation would allow the library to obtain a discount of about 25 percent on all items. Equally important, however, was the agreement which allowed the library to place standing orders in the same manner in which a depository requests and receives item numbers on an ongoing basis. So, even though the library had to pay for its documents, not only could they be obtained at a discount but the internal cost of ordering documents was held to an absolute minimum. This designation as a special depository was not generally available to libraries and other institutions. Correspondence with the Superintendent of Documents indicates that, in addition to UW-Parkside, only one other such designation was made in the country.

In about 1973, readers will recall, the Nixon administration decided to make several changes in operational procedures and policy at the GPO—all designed to lift the bureau out of the red and start it operating in the black. One of the first decisions to be made was the elimination of the hybrid called "special depository" as a recognized category. While the UW-Parkside library went through the motions of disputing the decision, we realized that it would be impossible to make a strong argument for two institutions nationwide.

The best we hoped to obtain was a slight postponement of the scheduled changeover. This would allow us to review the situation and decide how many documents we would purchase and set up procedures for initiating the orders for them. Faced at the same time with the first installment of budget retrenchment on campus, we were looking at our materials budget with a very critical eye. We estimated that the cost of continuing to acquire the documents we had been receiving would be an additional $5,000 to $6,000. This figure represented the amount of money saved on the discount we had been enjoying. It was a natural step for us to decide to set aside our Title IIa money for that purpose.

In the next few years, the library instruction program began to develop in students a greater ability to use documents as an important source of information. Prices continued to rise, demand increased—but the budget did not. In 1975, we decided to put our money into the CIS and ASI collections as an alternative to hard copy. At the time, it allowed us to increase our coverage, improve access dramatically because of the better quality of the indexing, and reduce costs. Our annual Title IIa grant has regularly been applied toward the purchase of those materials.

Should the federal government abolish this section of the Higher Education Act, will we reduce CIS and/or ASI coverage or even cancel our subscriptions? Of course not. Ironically, we cannot "afford" to do so. We certainly could not purchase the materials in hard copy. And yet, demand exists and use continues to increase. What will we do then? Quite simply, we will cancel more journal titles or purchase fewer monographs.

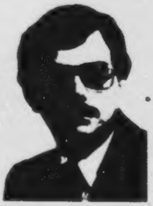
It is true that there is general agreement that Title IIa of HEA is sorely in need of revision. It does seem, however, that simply scrapping the program is the wrong approach in dealing with the problem. What is needed is a system which recognizes that some institutions have a greater need than others for this support. There is no evidence that any serious effort has been made to devise a method for overhauling the program in order to deal with the situation rationally.

It was only two years ago that the library community finally convinced the federal government to shoulder some of the responsibility for assisting major research institutions in making their collections more accessible. It seems quite ironic that, by its latest action, the government is proposing to scrap a program which helps prepare student-scholars to make use of those research collections successfully and profitably.

James L. Mullins

Director of Library Services
Indiana University at South Bend

"Although the Title IIa grant is not large, its existence allows a smaller academic library to review its collection seriously for weaknesses and attempt to remedy them."



During the past year as part of an overall collection development review plan, music and history subject specialists came from the Bloomington campus to our library at Indiana University at South Bend (IUSB) to review our history and music holdings and to recommend items for acquisition. Before the subject specialists' arrival on campus, the IUSB library staff compared our history and music shelflists to *Books for College Libraries* and a *List of Books on Music* published by the National Association of Schools of Music. With our curriculum in mind the subject specialists reviewed the lists and inspected the actual holdings on the shelf. They then compiled lists of items which should be added to our collection to strengthen it further.

The only possible way the library could acquire the recommended materials was to use our Title IIa grant. All other monies were committed to other departments or other general collection development areas. Since Title IIa grant monies were not allotted by the allocation formula for each department, the library was free to use them for this purpose. From the lists submitted by the subject specialists, the library was able to purchase, among many others, the following titles: Norma Demuth's *Ravel*; Rene Groussett's *The Sum of History*; Robert W. Simpson's *Carl Nielsen, Symphonist, 1865-1931*; and William Paton Ker's, *The Dark Ages*.

Although the Title IIa grant is not large, its existence allows a smaller academic library to review its collection seriously for weaknesses and attempt to remedy them. Only with the continuation of the Title IIa funds will libraries such as Indiana University at South Bend be able to acquire specialized materials that enrich their holdings.

Lawrence E. Wikander
College Librarian
Williams College
Williamstown, Massachusetts

> ***"Most college libraries cannot afford the luxury of blanket orders or approval plans. They live from term to term, steering a course through a narrow channel marked by curriculum buoys. A faculty retirement signals a slackening interest; his replacement will make new and different demands. Have we even the basic books for this new course suddenly in the catalog?"***

A Scottish neighbor used to admonish his children, "Never say 'only' about money." Nevertheless it is true that the $5,000 basic grant under HEA IIa—College Library Resources Program is only a very small fraction of the materials budget of a major university library. However, far at the other end of the higher education spectrum, that sum may be the life blood of a new college or two-year community college.

What does it mean to the college library? Taking as representative the 40 or so institutions annually polled by Bowdoin for comparable statistics, a college has 1,500 students and has amassed a collection of 300,000 volumes in its 100 years' existence. The budget for library materials varies widely with programs, size, etc., but it averages $200,000; a better measure may be the $250 expended per student or the customary 5 percent of the educational budget. Since the full basic grant of $5,000 is only 2½ percent of this figure, it would appear relatively insignificant. But the outsider does not realize how little discretionary income there is in an institutional library budget.

More than half of library income is earmarked for "Continuations": periodical subscriptions, memberships, business and scientific services, abstracts, indexes, standing orders to publishers' series or collected works, anything that a library is already obligated to buy. Indeed these obligations usually continue until cancelled.

Most college libraries cannot afford the luxury of blanket orders or approval plans. They live from term to term, steering a course through a narrow channel marked by curriculum buoys. A faculty retirement signals a slackening interest; his replacement will make new and different demands. Have we even the basic books for this new course suddenly in the catalog?

The 40 to 45 percent of the book budget that remains after the allocation for continuations has been satisfied must absorb still other compulsory purchases. Arranged roughly in order of priority, these are: (1) books for reserve and other required readings, (2) basic books in disciplines or courses new to the college, (3) new works, for so-called "current awareness," that keep the faculty informed of the latest research, (4) materials to support term papers and honors theses, encouraging deeper individual exploration of a topic, and finally (5) a selection from the myriad books that reviewers say "should be in every academic library."

What the Title IIa grant has done is to permit libraries to reach upward in this priority scale. The library that never could afford more than priority 1, required reading, can move to number 3, faculty development, and so on. It permitted Williams to seize a sudden opportunity to buy the 90-volume Russian edition of Tolstoi, to respond to demands for black studies materials, and to build courses for a new element in a college which had limited its educational effort for 175 years to a single sex. Intellectual resources for cultural institutions and independent scholars in a 50-mile radius were enriched by our purchase of the *Catalogue Generale* of the Bibliotheque Nationale.

College budgets must be completed long before the size, or even existence, of the library resources grant is known. Thus it cannot be reckoned into the budget, and, when granted, it becomes an invaluable addition to the small discretionary element in the college library budget.

Alvin Skipsna

Librarian
Skidmore College
Saratoga Springs, New York

Skidmore College is an undergraduate college of slightly more than 2,000 students, a library collection of 260,000 volumes, and a current acquisitions budget of over $140,000. In other words, it is neither very large nor very small.

The library is a member of the Capital District Library Council, one of New York State's nine cooperative regions of "Reference and Research Resources." More than ten years ago member libraries of the CDLC agreed that "resource sharing," a concept drummed into the ears of librarians for decades, was no longer enough. Time had come to think of *allocation of function*. After an extensive survey, the council's member libraries undertook to build up their collections in the agreed-upon subject areas with the goal of strengthening resources in the council region in a largely nonduplicating manner. Title IIa basic grants turned out to be tailor-made for such long-range purposes.

Skidmore's task was to strengthen its holdings in art. This was a particularly felicitous assignment in view of the strength of the college's art program, carried out by an art department of over 20 studio artists and art historians equaled in size only by the English department.

I am keenly aware of the remark made by Commissioner Boyer during the intermission of the February 1 New York City United States Office of Education (USOE) hearing that anyone can easily compile lists and write reports of what great things they did with the money. Instead of a "list", I submit that basic grant funds invested with an eye to developing regional resources are in no way "ineffective", and become comparable conceptually, if not in magnitude, to the strengthening-of-research-library-resources grants. Additionally, the continuous annual allocation of funds has resulted in long-range funding, which denies the argument of "thinness" advanced by the commissioner and the USOE, made plausible only by looking at a single year's grant in a vacuum. The ongoing grant program has already become the equivalent of a $40,000 to $50,000 stipend paid out in annual installments. It has matched the income of what would have to be, depending on interest rates, a $50,000 to $75,000 endowed fund.

Thus we are talking about quite an effective program for strengthening college libraries. Indeed it is the Title IIa program which has enabled this relatively young college to strengthen its scholarly apparatus through retrospective purchases and acquisition of catalogs raisonné without feeling guilty about depriving undergraduates of their bread-and-butter needs.

This library has also benefited from Title IIa's attractive features such as the maintenance-of-effort clause and the direct targeting approach.

The statements of the USOE staff before the Senate Committee on Appropriations that "increasing the Federal higher education support for general student aid programs"[1] can substitute for Title IIa are sheer Alice-in-Wonderland. Try them on your own academic administrators for some amusing reactions. With so much shot-gun financing emanating from Washington it is bad enough that the USOE has decided not to support what is indeed a remarkably cost-effective program, and worse that it is advancing specious arguments about the program's value.

"Indeed it is the Title IIa program which has enabled this relatively young college to strengthen its scholarly apparatus through retrospective purchases and acquisition of catalogs raisonné without feeling guilty about depriving undergraduates of their bread-and-butter needs."

---

[1] U.S. Congress, Senate, Committee on Appropriations, Departments of Labor and Health, Education and Welfare and Related Agencies Appropriations, Fiscal year 1979, part 3, p. 49.

Ann Turner

Librarian
Norwich University
Northfield, Vermont

> ***"In a state as small as Vermont each college must develop its own special collections and share them with its neighbors. In that way, students can live on small campuses, in close contact with their teachers, and still have a wealth of research material available..."***

Norwich University is the nation's oldest private military college with an enrollment of about 1,400 men and women and is typical of the many small colleges in the United States. Small, private colleges in our country are finding it particularly difficult, in many cases impossible, to maintain quality programs. In our state, Windham College recently closed its doors for good. Bennington College, a prestigious liberal arts college, has made public financial problems that seriously threaten its continued existence. Norwich's neighbor, Goddard College, is struggling desperately to survive. Even our tax-supported state colleges are deeply concerned about their future.

In 1969, Title IIa provided each college and university in the country with a grant of $5,000. Although the financial needs of these institutions have increased enormously in the last decade, the grants have grown smaller each year. The

---

Eula Windham

Librarian
Middle Georgia College
Cochran, Georgia

> ***"Title IIa funds were used entirely to purchase materials for student and faculty use. All processing costs were absorbed by the college budget. We continue to need Title IIa funds because the inflationary price of books has cut into our budget to such an extent that every penny of assistance we receive is greatly appreciated and conservatively used."***

In 1961, when we became associated with Middle Georgia College, there were 550 students enrolled and the library reported possessing 14,014 volumes of books, 88 phonorecords, 52 filmstrips, and 3 reels of motion picture films. Almost immediately we discovered that many of the volumes were multiple copies, many had been lost, and the large majority were out of date. A building and development program was begun. Funds made available from any and all sources were utilized. Even so, we ended the year with actual holdings of 14,286 volumes, 149 phonorecords, 60 filmstrips, and 3 motion picture reels.

The college began to grow and reached an average enrollment of 930 in 1964. Student use of the library had increased from 12,272, to 33,852. We were in the midst of a building program and entered our new facilities in July 1965. The average enrollment fall quarter, 1965 was 1,300, and the total circulation for the year was 61,511 volumes. The college was

Title IIa grant for the current school year was $3,906. Yet during the last ten years the average cost of a library book has more than *doubled*. The cost of periodical subscriptions and library equipment has more than tripled.

At Norwich we have purchased cassettes, records, microfilms, and some very excellent books for our collection of military histories. Bennington College has built up its drama collection, Johnson State its music collection, Vermont College reference books for its nursing program. Middlebury has used Title IIa grants to augment its American literature collection, Lyndon State its books on meteorology, Vermont Technical College its books on civil engineering, St. Michael's its books on administration.

In each case, the grant money has significantly enriched a college's collection and has at the same time helped all the other colleges in the state, since we share one another's resources through interlibrary loans. While the $3,963 which the colleges and universities received this year might seem insignificant to a university whose annual budget exceeds half a million dollars, it was a most welcome supplement to our book budget of $32,000.

The current trend in education is away from concentration on a few classic textbooks. Students are urged to use many sources, to write many research papers. This is, of course, a marvelous way to add to one's store of knowledge and broaden one's outlook on life. However, only in large universities can students obtain a great variety of resources.

In a state as small as Vermont each college must develop its own special collections and share them with its neighbors. In that way, students can live on small campuses, in close contact with their teachers, and still have a wealth of research material available to them.

In the proposed federal budget for 1980-81, large research libraries are scheduled to receive increased funding. While I have no doubt that the needs of research libraries are also great, the small college libraries do not share their good fortune. Large research libraries are used mainly by graduate students, those pursuing master's and doctoral degrees. The average student going to college in Vermont just cannot travel all the way to M.I.T. or Harvard or Yale to use their books, and he really shouldn't have to if we continue to improve our own libraries.

Small colleges are improving their libraries, not only through the actual cash that Title IIa grants provide, but also in another less obvious way. Funds received through Title IIa must be matched by the colleges, and can be spent only on stipulated materials that support collection growth. Administrators have, therefore, taken more interest in collection growth during the last ten years than they would have without the incentive provided by a Title IIa grant. The annual Title IIa grants have proven to be vitally important to small college libraries. We feel that we are using these funds wisely and that our students are deriving many benefits that would not otherwise be available to them.

---

in a growth pattern that continued until its peak year, 1969, when 2,400 students were enrolled. The formation of new junior colleges in the areas served by Middle Georgia College cut into the growth, and enrollment leveled at 1,500. During this time great demands were made upon the library. Circulation records for 1969-70 show total use of library materials by students to have been 119,611 items.

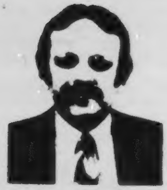
In 1966 Title IIa funds became available. We continued our development program of updating needed study materials and reference materials. When our new building was completed in 1965, we had 17,936 volumes. At this point we still did not meet the ALA standards for a junior college library. The new facilities permitted us to expand our horizons and begin an audiovisual materials program. The growing faculty and student body placed new demands upon the library. There was need for research materials to support certain class offerings. At this point the Title IIa funds played a most important role in helping us secure the basics for curriculum development and student use. Over a period of years we were able to secure the *New York Times* on microfilm and additional recordings, films, and filmstrips to enrich our offerings.

In anticipation of reaffirmation of its accreditation by the Southern Association of Schools and Colleges, with the visitation by the SACS team to be in the spring of 1969 the college was to begin its self-study in the fall of 1968. A concerted effort was being made to secure the needed books and materials to meet the minimum standards. All Title IIa monies and any extra funds the college could make available were used toward this end. By June 1969 we had been able to increase our holdings to 40,584 volumes, 1,137 phonorecords, 196 films, 364 filmstrips, 2,688 reels of microfilm, 1,924 cards of microfiche, and 3,370 other audiovisual items. We received reaffirmation of accreditation with flying colors.

In 1974 the college was approved for the associate degree in nursing. We used all of our Title IIa funds that year to secure the basic library for the nursing program.

Title IIa funds were used entirely to purchase materials for student and faculty use. All processing costs were absorbed by the college budget. We continue to need Title IIa funds because the inflationary price of books has cut into our budget to such an extent that every penny of assistance we receive is greatly appreciated and conservatively used.

The loss of Title IIa funds will place a tight restraint on materials purchased for the use of our students. It will take a long hard look and much justification before the librarian can purchase that much needed book or film, with price tags in accord with inflation, a budget cut in keeping with revenue received, and no hope of a grant to lend a little assistance. Yes, we at Middle Georgia College need Title IIa.

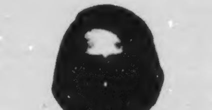


David H. Eyman

Director of Libraries
Juniata College
Huntingdon, Pennsylvania

For the small college library the comparatively smal amounts of money provided by the Title IIa grants have gon far in extending the purchasing power of the limited acquisition budget. At Juniata College these grants, less than $4,000 each over the past several years, have had the effect o increasing our book budget by more than 10 percent. I am certain that ours is not an isolated case. Perhaps for large institutions these sums are so small as to be hardly worthy o notice, but for the small college library, these are relatively munificent grants.

> ***"The amount expended on Title IIa grants during each of the last few years is the rough equivalent of the cost of one modern fighter aircraft... would not equal government support to Amtrak for six months or the Foreign Assistance Programs in Agriculture for three months."***



John Zimmerman

Director of the Library
Frostburg State College
Frostburg, Maryland

Frostburg State College is located in western Maryland 150 miles from the metropolitan and political hub of the state. Students come from all areas of Maryland and some surrounding states; faculty members have national and international backgrounds. Because of its isolated location—the nearest four-year academic institution is located 70 miles away outside of Maryland—the library at Frostburg State College must be able to provide for on-site needs of its students and faculty.

Federal funds for libraries have been received by Frostburg State College from 1967-1978. During that time the student

> ***"Cooperative arrangements are helpful, but most small libraries need basic materials common to all and not obtainable through cooperative arrangements or impossible to access because of the library's location."***

It is difficult not to take these monies for granted. The Higher Education Act has been with us since the 1960s; the grants are fairly automatic and painless to acquire. I am afraid many of us have drifted into the lamentable position of assuming these funds will always be available to supplement our budget. But what will happen if the Title IIa grants stop? Obviously, the absence of these monies would be felt immediately in the small college library. Collection building would slow. That large reference set or expensive film or film series which faculties badger the library to acquire could no longer be picked up easily from the ever present grant account. The attempts to infuse life into weak areas within our collections or to build collection strengths in support of new curricula would have to be funded from an already overburdened book budget. The ability of the library to supply local information needs will suffer accordingly.

The incongruity of this situation becomes more apparent when one compares funds expended for the College Library Resources Program to funds expended for other federal programs. The amount expended on Title IIa grants during each of the last few years is the rough equivalent of the cost of *one* modern fighter aircraft. According to the 1978 *Bowker Annual*, the total amount of funds distributed through this program since its inception in 1966 is less than $200,000,000. Such a figure looks miniscule when one considers that it would not equal government support to Amtrak for six months or the Foreign Assistance Programs in Agriculture for three months. Why? How is it that aid to college libraries receives such a low priority? One supposes that Congress in its conservative mood is looking for areas of the budget in which cuts will result in the smallest cries of pain and outrage. It is unfortunate but true that libraries represent such an area.

Much is seen in current library literature about the coming paperless society, the age when information will be stored in central data banks, easily accessible to all through inexpensive communication links. In that future society local collections will be less important than access mechanisms for the information stores, but even though the technology for this electronic age is beginning to appear in libraries, the future society is not yet upon us. Collection building at the local level is still a necessity for even the smallest academic library and will continue to be a necessity for some years to come. Any assistance which the small college library can obtain in fighting the erosion of book budgets through inflation will be of value. Title IIa grants are most important aids in this fight. Small college libraries need these grants and other sources of external funding if they are to survive as viable information resources.

---

body increased by over 800 full-time equivalents. The faculty added 67 new members, the undergraduate programs offered expanded into [illegible]6 majors, and 7 master's degrees were developed. The library at Frostburg State College has been supported by state funds of varying amounts from year to year; the collection grew from 80,852 items in 1967 to 318,172 items in 1978. Items include bound volumes, government documents, maps, and audiovisual and micro materials.

For all but two years between 1967 and 1978, Frostburg State College received federal funds amounting to $58,679. While the dollar amount received each year was not large—and it has been decreasing in amount as well as purchasing power—it was a great help in developing the library resource collection at Frostburg State College. Subject areas improved with extra funds were history, literature (including poetry and drama), art, education, economics, business, and bibliography. A number of periodical titles were obtained in backfile and some motion pictures were added in education, history, and management.

Without the federal funds, the library at Frostburg State College would probably not have purchased such items as the *Soviet Encyclopedia*, *Brockhaus Encyclopedia*, the *Great Atlas of the World*, *British Museum Catalog*, *Congressional Record* 1876-, *Pennsylvania Gazette*, *Journal of the Continental Congress*, *American Immigration*, *Official Records of the Union and Confederate Navies*, *British Theatre*, *Library of English Literature*, *New York Times* 1851-, a collection of 460 maps, art prints, and films such as *The Last Laugh*, *Potemkin*, *My Country*, and *Union Maids*. The titles listed here form only a partial list of the many books and other materials purchased with federal funds.

It is important, in these days of increasing costs and decreasing local funding, that at least the smaller academic libraries like the one at Frostburg State College receive some outside help; the larger universities may be able to secure the material essential to their programs. Cooperative arrangements are helpful, but most small libraries need basic materials common to all and not obtainable through cooperative arrangements or impossible to access because of the library's location. President Carter has said, "If we are to have an educated and informed population, we need a strong and open library system supported by a committed administration. We cannot call for a revival of quality education in America and close our libraries. We cannot ask our children to learn to read and take away their books." If our academic libraries are unable to support the education of our young people today, it will surely be reflected in the quality of performance of those people tomorrow. The federal funds for the library at Frostburg State College have improved the basic collection and provided access to material otherwise not readily available to students attending this college.

Marjorie C. Dennin

Director of Learning Resources
Annandale Campus,
Northern Virginia Community College

During fiscal year 1977-78 we added 34 new titles of periodicals on microfilm in backfiles, covering several years, to our 120 title holdings, an increase to 154 titles for a 28 percent overall collection increase. Because of our large student population, many of our magazines are literally "used up" and consequently cannot be bound. The only way we can maintain a backfile of heavily used magazines is to purchase them on film. We also purchased the *Index* (1972-1976) to the *Wall Street Journal* (providing access to our microfilm of this newspaper) and the *Index* (1905-1974) to our collection of bound volumes of *Book Review Digest*. We obtained many costly art books to support our art and humanities programs including the *Time-Life Library of Art*, and we bought a collection of travel and hotel guides to support our new program in travel and tourism. We also obtained many major reference works from a long wanted list, such as *Biographical Directory of the Governors of the United States, Standard and Poors Register of Corporations*, and completed our set of the *Dictionary of Scientific Biography*.

During fiscal year 1978-79, we spent about $1,000 for current and costly titles for our health technology programs in nursing, dental assisting, and dental hygiene. Another $500 was expended to expand our collection of the *Twayne's United States Author Series*, and new reference works included the *Encyclopedia of Bioethics*, the *1979 Encyclopedia Brittanica, Baker's Biographical Dictionary of Musicians*, the *Edwin A. Fleisher Collection of Orchestral Music*, and the *International Encyclopedia of Psychiatry, Psychology, Psychoanalysis, and Neurology*.

Although all of these materials are housed on the Annandale Campus, their availability goes far beyond the campus boundary. The collections in all five campuses of the college are included in a Union COM Catalog and students, faculty, and staff may borrow materials directly from any campus library or through the intercampus library network which is supported with daily van-delivery services. We also extend direct borrowing privileges to residents in the local jurisdictions which support our college (four counties and five independent cities). And we have reciprocal borrowing agreements with all of the institutions in the Consortium for Continuing Education in Northern Virginia (one university, two university extension centers, and one college).

Because of our involvement in resource sharing and cooperation efforts, we are providing very wide access to the materials purchased through the federal grant program. This is a major reason why so few dollars can provide so many users with a wealth of valuable resources.

Arthur H. Miller, Jr.

College Librarian
Lake Forest College

The importance of the Title IIa grants to building collections for use by faculty and students on campus has been well documented. But there has been less consideration of the role Title IIa grants have played in strengthening small academic libraries through resource sharing and cooperation.

For Lake Forest College, located within the rich and well-organized Chicago region, multitype library cooperation has changed the structure of library use. Increasingly, we have arranged our activities like those of a mail-order outlet: the fast-moving items are on the premises and specialty orders (totalling the equivalent of about 10 percent of regular circulation volume) come from elsewhere. Of course we use the library equivalents of Chicago's merchandising giants, the Center for Research Libraries and the Metropolitan Periodical Service. But in addition to these we rely on the strengths of our neighbors: public, special, and other academic libraries.

The collection strength made possible through Title IIa has been important, then, in gaining support for significant sharing with other types of libraries. Lake Forest College is able to draw heavily on the resources of the libraries of the North Suburban Library System (with strong public libraries in Evanston, Highland Park, Arlington Heights, Skokie, and the like) in part because it has collections which reflect the combination of good faculty selection with federal funds to supplement the routine allotments made available from college distributions. Lake Forest College's initiatives in collecting materials on women in 1977 led to a series of meetings with adult services librarians from the system and to a steady interlibrary loan traffic. In 1978, Title IIa funds went to acquire new tools to exploit our depository documents collection. These tools make this 50,000-item resource not only more useful on campus, but further open it up to area patrons and businesses. As a result, the College is welcomed as a partner and to share in the very substantial system services and collections.

The best harbinger of the importance of Title IIa to resource sharing in the 1980s may be the introduction three months ago of the interlibrary loan mode to the OCLC computer system. At Lake Forest, interlibrary lending as well as borrowing has grown steadily over the last three years since our OCLC involvement began. This reflects the emergence of a significant pattern of change in interlibrary loan. When bibliographic information was scarce, libraries were abnormally dependent on the holdings of large libraries, which were well known for being exhaustive in their collecting. With the development of better locational information on small collections, request volume has shifted toward these other libraries—where response time often is quick and where library staff have been pleased to be able to reciprocate and improve their normal borrowing/lending balance-of-payments deficits.

On the campus, on local and regional levels, as well as the national level, Title IIa has been an integral part of the development of library service to the users of academic libraries. The impact of these dollars is complex to document, but more often than not serving as a source of leverage for financially strained small libraries in protecting their student and faculty patrons' access to information crucially needed.

Evan I. Farber
Director of Libraries
Earlham College
Richmond, Indiana

During the first few years of Title IIa, we used the funds primarily to acquire materials that would supplement our regular purchases.

First, there were materials in subject areas that were just beginning to receive attention at this college and in the world of publishing. Such topics as women's studies, Black studies, and environmental studies which had long been neglected, but were now becoming part of the curriculum, were in demand by students. All sorts of materials—monographs, journals, reference works, collections on microform—were suddenly being made available. Our regular budget was adequate for keeping up with the traditional academic disciplines, but Title IIa permitted us to obtain basic collections in these newer areas which could then be supplemented with regular funds. A second major category of materials consisted of back files of periodicals, mostly in microform, and basic monographs or sets that were available on the out-of-print market or were now being reprinted, materials which regular departmental budgets could not otherwise afford.

In the late 1960s and 1970s, then, we used funds from Title IIa to fill in gaps and extend our collection into new areas.

Then, as Earlham's budget began to be squeezed by tightening funds on the one hand and double-digit inflation on the other, the funds from Title IIa were used more and more to help pay for items which, in the past, would have been regarded as standard purchases by the library. I reflect on this development not so much with disappointment as with the realization that the basic grants program had become just that—basic to the maintenance of library service—and its very valid and important contribution was to permit us—and I presume other small academic libraries—to maintain our acquisitions program by helping bridge the gap between limited budgets and increased costs.

Over the dozen or so years the program has been in existence, then, it first served to help bring our collection up to a level that would support our curriculum adequately and, second, to then help us maintain adequacy. In the last few years, the several thousand dollars we've received may not seem like much to a large library, but to a small library like ours it has made a marked difference in our ability to serve our students. While we can reorder our priorities to provide better service, or shift personnel to maximize student and faculty use of our collection, we can't do either unless we maintain an adequate collection. Title IIa has been a major factor in permitting us to do this, and its demise would be a severe blow to this library and, I'm sure, to all college libraries.

▼

Senator PELL. Dr. Galvin?

Dr. GALVIN. I would like to speak to the need for reauthorization of title II-B of the Higher Education Act.

Title II-B provides grants for fellowships, for institutes, and for library research and demonstration projects of national significance.

Since 1966, more than 3,600 fellowships and traineeships have been supported under title II-B. Although the program is a modest one in terms of cost, its impact on library service has been very significant.

It has strengthened the qualifications of faculty in library schools, and updated the skills and knowledge of practicing librarians. It has helped us to recruit and train new professionals who possess the qualities and the qualifications that are urgently needed to staff and lead the Nation's libraries and information centers.

Minorities and the economically disadvantaged have historically been underrepresented in the library and information professions. For example, in 1970, fewer than 50 professional librarians of Hispanic-American origin could be identified. Title II-B has quadrupled that figure. In 1970, only 3 percent of the Nation's librarians were black. Because of title II-B, black Americans now represent 5 percent of the library profession.

The demand for minority librarians will remain strong through 1985. The title II-B fellowship program is the only available source of Federal funds to assure that the library profession remains open to minorities and to the disadvantaged, in a time when educational costs are rising dramatically.

The program is also an important means to address another serious inequity—the underrepresentation of women at the highest levels in the library profession.

Under the title II-B institute program, more than 14,000 librarians have had the benefit of short-term training to update and expand their skills and knowledge.

Librarianship is a rapidly changing field, not only because of the enormous impact of computer and telecommunications technology on basic library operations, but also because of America's changing social and economic climate.

The institute program is a vital means to equip librarians with the new skills and new competencies they need to respond to these new demands.

Because the institute program emphasizes training those who will train others, its impact is multiplied many times over.

The library research and demonstration program has supported 294 projects over a 12-year period. Many of these have been landmark activities that have had broad impact and very significant long-term outcomes.

Since 1975, only $1 million has been available annually for library research and demonstration. Through skilled management and careful targeting of available funds to high priority national concerns, the impact of a small number of projects has been multiplied many times.

The library research and demonstration program is the only available federally sponsored program that provides categorical support for broadly focused basic and applied investigations relating to the improvement of library services.

Dr. Churchwell will now speak to title II-C.

[The prepared statement of Dr. Galvin follows:]

Statement of Thomas J. Galvin
Dean, School of Library and Information Science
University of Pittsburgh
before the
Subcommittee on Education, Arts and Humanities
of the
Senate Committee on Labor and Human Resources
on reauthorization of the Higher Education Act
S. 1839, S. 1840, S. 1841
October 4, 1979

My name is Thomas J. Galvin. I am Dean of the School of Library and Information Science at the University of Pittsburgh. I am also President of the American Library Association, which with 35,000 members is the largest organization in the nation and the world concerned with the improvement of library service. Accompanying me this morning, and also representing the American Library Association, are Dr. Charles Churchwell, University Librarian, Washington University, St. Louis, Missouri, and Ms. Ann Turner, Librarian, Norwich University Library, Northfield, Vermont.

We appreciate this opportunity to speak in support of a five-year extension and expansion of Titles II-A, II-B and II-C of the Higher Education Act. The American Library Association considers the continuation of these existing programs of great importance to all types of libraries and to the quality of service those libraries are able to give to our citizens. We also believe that reauthorization of the Higher Education Act offers a timely opportunity to expand the scope of the legislation by providing for the creation of a National Periodical Center which is urgently needed to improve citizens' access to periodical literature.

Ms. Turner will speak to Title II-A. Dr. Churchwell will address Title II-C. Because my own work relates primarily to the education and training of library and information professionals and to the conduct of research in that field, I would like to speak specifically in support of the need for reauthorization of Title II-B of the Higher Education Act.

Title II-B has, since 1966, provided grants for fellowships to train both beginning and advanced students in library and information science, for institutes to upgrade the qualifications of practicing librarians and information specialists, and for a limited number of library research and demonstration projects of national significance. At present, two thirds of the annual appropriation ($3,000,000 for FY 1979) is designated for fellowships and institutes, the remainder for research and demonstration.

Since 1966, more than 3,600 fellowships and traineeships have been supported under the Title II-B program. Although the fellowship program is a modest one in terms of cost, its impact on library service to the nation has been very significant. It has strengthened the qualifications of faculty in library schools, enhanced and updated the skills and knowledge of practicing librarians, and helped us to recruit and train new professionals who possess the qualities and qualifications that are urgently needed to staff the nation's libraries and information centers.

Since 1970, changing patterns of supply and demand for professional librarians have enabled the Office of Education to direct the fellowship program toward the highest priority staffing needs of libraries. Minorities and the economically disadvantaged have historically been underrepresented in the library and information professions. For example, in 1970, although Hispanic Americans comprised over 9 percent of the population, fewer than 50 professional librarians of Hispanic American origin could be identified. Title II-B has quadrupled that figure. In 1970, only 3 percent of the nation's librarians were Black. Because of Title II-B, Black Americans now represent 5 percent of the library profession.

While substantial progress has been made, both the projections of the Bureau of Labor Statistics and our own experience in the library schools make clear that the demand for minority librarians will remain strong at least through 1985. The Title II-B fellowship program is the only available source of federal funds to assure that the library profession remains open to minorities and the disadvantaged in a time when educational costs are rising dramatically. The fellowship program will also continue to be an important means to address another serious inequity, the underrepresentation of women at the highest levels in the library profession.

Under the Title II-B institute program, more than 14,000 librarians trained (and other information professionals have had the benefit of) short-term training to update and expand their skills and knowledge. The National Commission on Libraries and Information Science, in its recommended national program, has identified the training and re-training of library personnel as one of 8 priority objectives to improve the quality of library and information services to all citizens. The Commission writes:

> The Federal Government has a primary responsibility to assure that all those who will participate in the National Program have adequate opportunity to be educationally equipped and trained for their jobs. A Federally-funded program of fellowships and training institutes is basic to fulfillment of this responsibility. (National Commission on Libraries and Information Science, Toward a National Program for Library and Information Services: Goals for Action, U.S. Government Printing Office, 1975, pp. 44-45)

Librarianship is a rapidly changing field, not only because of the enormous impact of computer and telecommunications technology on basic library operations, but also because of America's changing social and economic climate. There are major new constituencies to be served by libraries of all types--the handicapped student, the aged, the growing population of adult independent learners, to mention only a few. The Title II-B institute program is a vital means to equip librarians with the new skills and competencies they need to respond to these new demands. In FY 1978, 24 institutes were supported in 18 different states, territories and the District of Columbia. More than 1,100 librarians participated in specialized programs ranging from providing school library-media services to handicapped children, to improving the use of United States government publications in teaching and research. Not only was all of this accomplished at a cost of only slightly more than $760,000, but because the program emphasizes training those who will train others, its impact is multiplied many times over.

The Library Research and Demonstration Program has supported 294 projects over a 12-year period, 1967-1978. Many of these have been landmark activities that have had broad impact and very significant long-term outcomes. Examples include a national project to develop and test new standards for American public libraries, the first national survey ever conducted to identify the extent and character of self-planned adult learning in the United States, and major expansions of the national machine-readable bibliographic data base.

Again, as in the case of the institute program, the Title II-B research and demonstration program has never been fully funded. Since FY 1975, only $1,000,000 has been available annually. Yet, through skilled management and careful targeting of available funds to high priority national concerns, the impact of a small number of projects has been multiplied many times. It is the only available federally-sponsored program that provides categorical support for broadly focussed basic and applied investigations relating to the improvement of library services.

I would also like to illustrate how directly the research and demonstration program is linked to the institute program, and through that program to the improvement of library services, with an example from the University of Pittsburgh. In FY 1975, we received a small grant ($17,772) to enable a member of our faculty to conduct a pilot study of the ways in which adult independent learners use libraries and other community resources. The following year, we offered the first institute on the new role of the librarian as learning consultant for 25 librarians from 25 states with support under the Title II-B Institute Program. Each participant agreed to replicate the institute for librarians in his or her home state. At the same time, a new course on the librarian's learning consultant role was added to our library science curriculum. One year later, we offered another Title II-B supported institute on a closely related topic, the library as a resource for information on career planning for young people and adults.

I have offered this example to illustrate how closely connected the various parts of the II-B program are. I would also suggest that the subcommittee consider carefully the placement of the special purpose grants, currently part of Title II-A. The House bill, recently introduced by Senator Pell as S. 1841, transfers these grants to Part B of Title II, as originally recommended by former HEW Secretary Joseph Califano. This would bring special purpose grants for networking, consortia, and community service activities together with other library demonstration and training programs, and there is a certain logic to this approach.

As the special purpose grants provision recognizes, institutions of higher education must increase their cooperation and coordination in the areas of curriculum development and joint-use facilities and services, including library resources, in order to maintain quality. Many such cooperative services are or could be provided using the newer telecommunications technology. Just as Congress has long recognized that the "educational, cultural, scientific, and informational value to the recipient of mail matter" (PL 94-421) should be considered in setting postal rates, we urge the subcommittee to consider reinstating language permitting preferential telecommunications rates for nonprofit libraries and educational institutions. Authority for preferential rate communications interconnection services was part of the Higher Education Act (Section 803) until the Networks for Knowledge title, in which it was contained, was repealed in the Education Amendments of 1976 (PL 94-482). We recommend that similar permissive language applying to services within the purview of all parts of Title II be included in the reauthorization.

I would like to go back to Title II-A for a moment. We have noted that both the administration and the Senate Appropriations Committee have criticized the II-A program on the grounds that small basic grants to all college libraries without regard to need have no impact. Many college librarians have testified to the substantial cumulative impact of the basic grants. However, because the criticism clouds the funding outlook for the program, the American Library Association and its Association of College and Research Libraries have explored the concept of II-A need criteria. The program as it currently exists is simple, easily-administered and applied for, and cost effective. Devising need criteria which are workable and fair without unduly burdening the smallest, neediest, least "grant-wise" college libraries has proven to be extraordinarily difficult. Since we are continuing to explore this option, we request the opportunity to come back to the subcommittee at a later date on this point if it seems appropriate. Meanwhile, we do recommend that the authorization for the II-A grants be increased from $5,000 to $10,000, and that the maintenance-of-effort provision be strengthened.

The reauthorization of the Higher Education Act also offers a timely opportunity for the Congress to provide initial authorization for an urgently needed national program, the creation of a National Periodical Center. Such a center might be created by the addition of a new Part D to Title II, along the lines proposed in S. 1841. The American Library Association strongly endorses the establishment of a National Periodical Center, and in a resolution adopted at its June 1979 Annual Conference, calls upon Congress to take prompt and favorable action to bring such a Center into existence. This resolution is appended to my testimony, along with a statement I presented at the March 20 Open Forum on a National Periodicals Center sponsored by the National Commission on Libraries and Information Science.

Under the leadership of the Commission, careful studies have been conducted both to document the great need for better access to periodical literature and to design a program that will respond effectively to that need. We appreciate the role of NCLIS in establishing a joint committee of the Commission, the American Library Association, the Association of Research Libraries, the Association of American Publishers, the Association of American Universities, and the Information Industry Association, which has prepared draft legislation. Federal support is essential to initiate a National Periodical Center. Since the need is so urgent, we hope that this Subcommittee will consider inclusion of the necessary authorization as a part of the extension of the Higher Education Act. We also urge support of the provision in S. 1841 which provides that Parts A, B, and C of Title II must be funded at the fiscal year 1979 levels before funds would be appropriated for the new Part D.

I would like to take this opportunity to touch on a related matter of great concern to us. As I know you are aware, Congress has recently given final approval to establishment of a separate Cabinet-level Department of Education. The American Library Association has consistently gone on record in support of a separate department with an appropriate recognition of the importance of libraries in the educational process. However, the conference report (S. Rept. 96-326) on the Department of Education Organization Act gives the new Secretary the power to consolidate, alter, or discontinue a number of statutory entities, including the Office of Libraries and Learning Resources.

The Office of Libraries and Learning Resources was mandated by the Education Amendments of 1974 (PL 93-380). That mandate originated with this subcommittee, and it was intended that the unit "administer all OE programs related to assistance to, and encouragement of, libraries and information centers, as well as education technology," in the words of the Senate report (S. Rept. 93-763). This recommendation stemmed from the committee's concern with the up-and-down history of the library unit within HEW. Since then, however, this history of reorganization and low-priority status has continued, and Congressional intent has not been fully realized.

Libraries are a cross-cutting activity, and it is understandable that placing responsibility for them within a department divided along the lines of levels of education or service to special constituencies may initially prove difficult. However, one of the great strengths of libraries in a democratic society is that they provide a neutral learning opportunity for citizens of all ages and in varying circumstances in almost every community both within and outside of formal educational institutions. Surely in a time when Congress is giving special attention to the importance of lifelong and nontraditional learning and to improving basic literacy skills, the role of libraries in both these areas should be recognized and encouraged.

Earlier this year, the American Library Association adopted a resolution supporting a Department of Education which urged that "the various approaches to learning and access to all types of library and information services, whether formal on nontraditional, be brought together with educational technology activities to constitute a separate office within the new Department of Education." The resolution is appended to my testimony.

The Senate Governmental Affairs Committee, in its report (S. Rept. 96-19) on S. 210, invited the participation of the Labor and Human Resources Committee in the reorganization of educational research and improvement, telecommunications, demonstration and dissemination functions. We recommend further that the committee consider the appropriate placement within the new department of the activities now administered by USOE's Office of Libraries and Learning Resources, as well as the placement of other nontraditional learning approaches and education technology activities. It is time for the authorizing committees, whose members know these programs so well, to reassert their influence in the organization of the new Department of Education. We would be pleased to provide further assistance in this effort.

Thank you for giving me this opportunity to appear before the Subcommittee in support of these important Higher Education Act library programs.

RESOLUTION REGARDING THE NATIONAL PERIODICALS CENTER

WHEREAS, the national welfare is inextricably linked with ready access to information in periodicals which have become the single most dominant medium for communicating research results; and

WHEREAS, existing interlibrary loan mechanisms for the dissemination of periodical information are inadequate and increasingly unable to meet the demand placed on them; and

WHEREAS, the public welfare can best be served when the profit and not-for-profit sectors act in partnership in the dissemination of information,

NOW THEREFORE BE IT RESOLVED, that the American Library Association support the establishment of a National Periodicals Center and call upon Congress and the Administration to take favorable action in support of this resolution.

Adopted by the Council of the
American Library Association
Dallas, Texas, June 28, 1979

STATEMENT PRESENTED TO THE OPEN FORUM ON A NATIONAL PERIODICALS CENTER ON BEHALF OF THE AMERICAN LIBRARY ASSOCIATION OFFICIAL DELEGATION

20 March 1979
Arlington, Virginia

I have been instructed to present a brief statement on behalf of the ALA Official Delegation to this Open Forum. Those present here might be interested to know that the Executive Board of the Association considered this meeting of such importance that it authorized all thirteen of its members who could attend this meeting to do so. Eight of the thirteen are in attendance as ALA's Official Delegation.

The ALA Delegation at this meeting is persuaded that the concept of a National Periodicals Center is a desirable one, which offers the potential for some remediation of the thus far insuperable problems of document delivery and access to periodical materials.

The ALA Delegation is prepared to recommend to the ALA Executive Board and Council that ALA support the establishment of a National Periodicals Center and the early drafting of a legislative proposal for its establishment. In doing so, because of the breadth and diversity of the library community which ALA represents, we feel that the question of the NPC's collection scope is one of critical importance. We feel that enthusiastic ALA support for the NPC is most likely to be forthcoming if it is agreed that the Center shall include the most frequently used and requested periodicals.

We are also agreed that the NPC should pay royalties on all copyright materials copied by the Center.

On the question of governance, while some of us may feel some attachment to the idea of a National Library Board or some other national agency of broad scope, we feel that the political climate makes the acceptance of such an entity unlikely at this time. We are prepared to recommend, therefore, an independent governing body with specific responsibility for the governance of the NPC. Such a governing body must be fully representative of different types of libraries, of the publishers and producers of information, and of the broad community of users.

Whether or not legislation has been introduced prior to the White House Conference, we recommend that the establishment of a National Periodicals Center be submitted as an important item for the White House Conference agenda.

ENDORSED by the:
ALA Executive Board, May 3, 1979
ALA Council, June 28, 1979

RESOLUTION ON A U.S. DEPARTMENT OF EDUCATION

WHEREAS, American libraries have long served as an indispensable element in both formal and lifelong education, and the importance of libraries in the educational process has long been recognized by the federal government; and

WHEREAS, the importance of self-learning is growing, yet the units dealing with non-traditional learning in all its forms and aspects, such as libraries, are various and scattered throughout the Office of Education; and

WHEREAS, the Office of Libraries and Learning Resources has had an up-and-down history within the current disparate elements in the Department of Health, Education, and Welfare; and

WHEREAS, the role of the U.S. Office of Education has assumed major importance in the federal government in providing maximum access to education for all citizens; and

WHEREAS, President Carter has called for a Department of Education,

NOW THEREFORE BE IT RESOLVED, that the American Library Association support the establishment of a separate cabinet-level Department of Education in the U.S. government.

BE IT FURTHER RESOLVED, that there be an elevation of status and level of support of functions relating to libraries and non-traditional learning.

BE IT FURTHER RESOLVED, that the various approaches to learning and access to all types of library and information services, whether formal or non-traditional, be brought together with educational technology activities to constitute a separate office within the new Department of Education.

Adopted by the Council of the
American Library Association
Washington, D.C., January 11, 1979

Senator **Pell**. Thank you.

Dr. Churchwell?

Dr. **Churchwell**. Chairman Pell, members of the subcommittee, I am Charles Churchwell, dean of library services at Washington University. I have also served as university librarian at Brown University.

I appear today on behalf of the American Library Association to request reauthorization of title II of the Higher Education Act of 1965, and to ask that you add a new part D, which would establish the National Periodical Center.

The text of my complete statement has been submitted for the record. I will therefore limit my comments to its main points.

First, I respectfully urge the subcommittee to reauthorize title II of the Higher Education Act of 1965. This has been an invaluable piece of legislation in support of college and university libraries and in support of library education and library research. The return has been substantial for the limited dollars invested.

Second, I urge this committee to recommend highly full funding of part C, in order to carry out the wishes of Congress to assist and strengthen all qualified research libraries that are facing increasingly high costs of supplying library materials. Research libraries are increasingly unable to meet the high costs of books and periodicals. They are increasingly unable to meet the high costs of staff. The costs of periodicals are especially high. The erosion and deterioration of research libraries' collections must be stopped in order to insure the availability of information for researchers and scholars.

Third, I urge that you recommend extension of title II to include a part D. This would authorize the establishment of a National Periodical Center, as stated in the House Education and Labor bill 5172. This Center is sorely needed in order to enable all libraries to share their periodicals. All libraries are unable to cope individually with the rising costs of acquiring and storing periodicals. It is becoming increasingly difficult for them to share even those they do have.

The Periodical Center will greatly assist the process of sharing.

Fourth, I urge that the Federal support for a National Periodical Center not be provided at the expense of parts A, B, and C of the title. I, therefore, recommend that funding for the new part D be predicated on funding of parts A, B, and C of title II at fiscal year 1979 level.

Mr. Chairman, I close by urging that you and the subcommittee recommend reauthorization of title II-C of the Higher Education Act, and that you provide for the establishment of a National Periodical Center.

Thank you.

[The prepared statement and additional material of Dr. Churchwell follows:]

Statement of Charles D. Churchwell
Dean of Library Services
Washington University, St. Louis, Missouri
before the
Subcommittee on Education, Arts and Humanities
of the
Senate Committee on Labor and Human Resources
on reauthorization of the Higher Education Act
October 4, 1979

Chairman Pell, distinguished members of the Education, Arts and Humanities Subcommittee, I am Charles D. Churchwell, Dean of Library Services at Washington University in St. Louis, Missouri. I have also served as University Librarian at Brown University in Rhode Island, and at Miami University in Oxford, Ohio. I am delighted to appear before you on behalf of the American Library Association to request that you reauthorize Title II of the Higher Education Act of 1965, and to ask you also to consider the addition of a new Part D, which would establish a National Periodical Center. While I respectfully urge reauthorization of the entire Title, I will limit my remarks specifically to Part C, Strengthening Research Library Resources, and to the need for a National Periodical Center.

In 1976 Congress passed Title II-C and gave recognition of its concern for the survival of research libraries and the indispensable role they play in the research, culture and economic growth of this great nation. Two years, of course, is too short a time to fully assess the impact of any piece of legislation. Still, the beginnings which have been made in the areas of collection development, preservation, bibliographic control and access to the books and periodicals of some of the major research libraries of the nation are impressive indicators of what can be done with federal support--and what must be done.

As examples of collection development projects, Northwestern University was able to strengthen its Melville J. Herskovits Library of African Studies as a national resource and the University of Illinois, the central library in a specialized national network of Slavic collections, added to its collections of scholarly serial titles, some of which are unique outside the Soviet Union. Title II-C has supported several preservation projects at the New York Public Library. Rapidly deteriorating publications which are scarce and difficult to replace are being filmed, while thousands of graphic documents such as prints, posters, and manuscripts are being preserved. Many of these objects are so fragile they had been temporarily withdrawn from use. Increased bibliographic control and access results from such projects as the indexing and cataloging at Princeton University of two important resources--the American Civil Liberties Union Archives, and a unique collection of Chinese materials.

Significant encouragement has been given to these and other research libraries whose collections and services are central to the development of a national network of libraries. But impressive as these beginnings are, they are only a small part of the program that is needed, and they affected only a small number of the approximately 200 libraries that may qualify for help under Title II-C.

The current law authorizes up to 150 grants annually to research libraries. One hundred and one (101) institutions applied for the first round of grants in 1978, and they requested assistance in the amount of $27 million. In response to these pressing needs, only $5 million was appropriated and awards were made to only 20 institutions, or 20 percent of those that applied for assistance. In 1979, an only slightly higher amount was available, $6 million, of which $2,525,000 went to institutions for the continuation of projects already started and $3,475,000 went to new institutions.

The research libraries are indeed grateful for the assistance which has been received, but it is clear that the intent of Congress in establishing Title II-C cannot be carried out unless the full authorization of $20 million is provided and administered in a manner that is consistent with the original philosophy which gave impetus and passage to this important legislation. The escalating costs of books and periodicals, fuel, and labor have intensified since Title II-C became law on October 12, 1976, and they have had an erosive effect on all research libraries. Moreover, the prospects for increased revenue to research libraries have not brightened.

A recent report, Research Universities and the National Interest (New York: Ford Foundation, December 1977), summarized the problem well: "While research universities have always provided significant support for their libraries, they themselves are now confronted by serious financial difficulties and can no longer shoulder alone the burden of sharply rising library costs." And further: "Exceptional collections are created less frequently now, and most of those that exist are maintained with increasing difficulty. The high cost of continuing acquisitions, the physical deterioration of materials, and the expense of maintaining the necessary skilled staff are all problems of growing magnitude. The hazard they pose to future intellectual vitality is serious." Reauthorization of Title II-C with more adequate funding is part of the total strategy for assuring the survival of these libraries so crucial to the creation of new knowledge and to its transmission and preservation.

Another part of the total strategy for coping effectively with the needs of scholars is the establishment of a better mechanism for sharing library resources, especially periodicals. I therefore respectfully urge this subcommittee to further improve upon Title II by giving favorable consideration to a National Periodical Center as is included in Title II-D of the House Education and Labor Committee-approved bill, HR 5192. The purpose of this proposal would be to provide funds for the establishment of "a National Periodical Center to serve as a national periodical resource by contibuting to the preservation of periodical materials and by providing access to a comprehensive collection of periodical literature to public and private libraries throughout the United States."

The need for the National Periodical Center has been demonstrated not only by the inability of libraries to individually cope with the escalating costs of acquiring and storing periodicals, but also by their inability to make even those they do acquire accessible to all those who need to use them. The journal, according to Scholarly Communication; the Report of the National Enquiry (Baltimore: Johns Hopkins University Press, 1979) which recommended establishment of a national periodical center, "is an efficient, flexible, and effective method of communication, and it plays an essential role in the dissemination of scholarly research." This is true for scholars in all branches of knowledge and it is also true for researchers in business and industry. As stated in the resolution passed by the Council of the American Library Association in support of the establishment of the center, "the national welfare is inextricably linked with ready access to information in periodicals which have become the single most dominant medium for communicating research results."

The Center is sorely needed as a critical link in the establishment of a network for better sharing among libraries of periodicals literature. As envisioned and stated in the Part D proposal, the National Periodical Center will provide information to both scholars and nonscholars; it will benefit both the private and public sectors of the information community; it will serve both large and small libraries. Most important of all it will serve the general welfare of the nation by making information more accessible.

However, federal support for a National Periodical Center should not be provided at the expense of the urgent needs of college and research libraries for assistance, or of library training or demonstration programs. Therefore, we recommend that funding for a new Title II-D be predicated on funding of Parts A, B, and C of Title II at the fiscal year 1979 levels.

Mr. Chairman, I close by urging that you recommend reauthorization of Title II of the Higher Education Act and that you act favorably upon the proposed National Periodical Center. I am grateful to you and this subcommittee for allowing me to appear before you on behalf of the American Library Association in support of Title II. Thank you.

Research Universities and the National Interest

A REPORT FROM FIFTEEN UNIVERSITY PRESIDENTS

DECEMBER 1977

SPONSORED BY:
Carnegie Corporation of New York
Ford Foundation
The William and Flora Hewlett Foundation
Lilly Endowment, Inc.
The Andrew W. Mellon Foundation
Alfred P. Sloan Foundation

CONTENTS

Preface v

An Overview: The Federal Government and the Major Research University, Indispensable Partnership for Excellence 3

The Critical Role Of Basic Scientific Research 23

Graduate Education: Priorities for the 1980s 63

The Major Research Libraries: Strengthening a National Heritage 89

Helping the Research Universities Achieve Competence in International Studies and Research 108

A Note on the Preparation and Authorship of This Report 139

The Major Research Libraries: Strengthening a National Heritage

---

Much of the scholarly research carried on in the United States depends heavily on the bibliographic services, publications, and archival resources provided by a relatively small number of large research libraries. Many of these libraries are university-based, but their ranks are enriched in distinctive ways by the large national libraries (especially the Library of Congress), several private libraries (the largest and most notable being the Research Libraries of the New York Public Library), and a few old and exceptional public libraries. All are characterized by their extensive and distinguished collections on many subjects and in many languages. The libraries collect not only published materials in all formats but also manuscripts, sound recordings and graphic works, and computerized data. The staffs of these libraries are large, and the skills the staff members possess are as essential as the collections they build. The space these libraries occupy and provide for users is substantial, and the use of this space directly by users themselves and indirectly through interlibrary loans and bibliographic services, is intense. Operating costs, like all educational costs, have grown rapidly.[1]

Scholarship in all fields, the scientific and industrial vitality of the country, the national capacity to address public problems at all levels of organization, and, perhaps most important, the ability of individuals to pursue their own intellectual concerns depend to a significant degree on the availability of published information, which is the substance of research libraries. These libraries are indispensable to the preservation and transmission of knowledge and to the creation of new knowledge. Together, they are essential to the advancement of learning, and the quality of each directly affects the excellence of scholarship and research.

The importance of research libraries to our society was described recently by the National Commission on Libraries and Information Science:[2]

> The major research libraries in the country, both private and public, represent the bibliographic foundation of the nation's research effort. Collectively, these institutions serve students, faculty, scholars, and researchers who are engaged in work in the sciences and the humanities, as well as the general public.
>
> [These] libraries in the United States have combined resources of over two hundred million volumes. . . . Their resources represent an asset of great value to the nation, and the Commission believes it is in the best interests of the country to assist these important institutions in forming a stronger set of working relationships that will permit them to serve more, rather than fewer, people. . . .

Inadequate financial support is the central problem of the major research libraries, as we shall show, but they also face other serious issues, including (1) the need to utilize computer and communications technology to transform library operations and to improve the process of information transfer; (2) the expanding expectations of users concerning collection coverage, speed of access, and reliability of service; (3) the necessity of balancing growing obligations and increasing technical complexity, on the one hand, with severe financial constraints that limit manpower and resources, on the other; and (4) a shortage of the specialized management skills required to meet the challenges posed by the growing complexity of library functions.

Moreover, although sharing the same mission and method, the libraries lack the means for working together at the level of sophistication that now seems necessary. Powerful new capabilities for cooperative action by research libraries are required, not primarily to reduce costs but rather to help make certain that expenditures for resources, space, skills, and technology in fact produce the desired results.

Change in the ways research libraries are operated and used is inevitable. The question is whether the transformation will be intentional, designed to enhance research libraries' effectiveness, or whether it will be forced, restrictive, and ultimately limiting. Acceptance of the principle of dynamic interdependence among libraries will require, first, a thoroughgoing appraisal of present practices. Imaginative utilization of new technology in computers, communications, and photography can and should transform and even improve many established library practices. A remarkable opportunity exists to extend the role of libraries and thus the ultimate impact of research and scholarship. Not to move now in new directions is probably the most incautious course that could be proposed.

The libraries' own determination to undertake change is founded on the conviction that only by transforming bibliographic methods and collection goals can librarians cope with a constantly expanding body of material and set of user-generated requirements. The sense of urgency accompanying that determination stems from persistently rising costs and severely limited funds.

We noted earlier that most major libraries are university-based. Therefore their fate is closely intertwined with the continuing vitality of these advanced research and training institutions. This relationship now adds to the critical economic problems faced by libraries. While research universities have always provided significant support for their libraries, they themselves are now confronted by serious financial difficulties and can no longer shoulder alone the burden of sharply rising library costs.

Some specific examples of these costs underscore the magnitude of the economic problems facing libraries. During the two decades from 1950 to 1970, expenditures for books *doubled* every six or seven years, with costs for salaries and wages increasing at a rate only slightly slower. The number of books added annually to collections doubled every ten or eleven years. As great as these growth rates are, they are not abnormal; the growth rates in library costs per student are similar to the growth in total educational costs per student over the same period. Small libraries grew at a faster rate than large ones, suggesting that more and more libraries will become very large and thus inevitably will share the problems the largest libraries now face.[3]

Recent years have also seen a distortion in the way available funds are used. The costs of publications have risen far faster than the general rate of inflation. In most libraries, funds earmarked for acquisitions have not kept abreast of rising costs. The difficulty has been further aggravated by a disproportionate rise in the cost of periodical and serial publications and an unprecedented increase in their numbers. In many research libraries, nearly two-thirds of the acquisitions budget is now spent for serial subscriptions, an almost complete reversal of the situation that prevailed little more than a decade ago.

In addition, increases in the numbers and costs of specialized materials such as legal and financial looseleaf services have added thousands of dollars in new costs to the average research library's annual budget. Of even greater concern and impact has been the rapid extension of differential pricing practices, predominantly in the scientific, medical, and technical fields. Library subscription prices for hundreds of periodicals in these fields now range from two to ten times the rates charged to individual subscribers. This practice costs each library tens of thousands of dollars every year. In effect, differential pricing is a form of subsidy for scholarly and scientific publication by universities, with library acquisitions budgets simply serving as the conduit.

The net results of these inflation and cost problems is to force libraries and the universities that maintain most of them into a choice between reduced service to scholars and larger claims on the general funds of the university. Since other university activities are under similar pressures, the choice offers no solutions and really demands that libraries find more efficient ways of providing their services.

Research libraries have taken a number of steps to alleviate some of their most pressing problems. An early example was the formation in 1949 by the Big Ten universities of what is now the Center for Research Libraries (CRL), a "library for libraries" with a national membership of over one hundred. To encourage resource sharing, special acquisitions programs have been established not only by the Association of Research Libraries and the CRL but also by the Library of Congress. The National Program for Acquisitions and Cataloging (NPAC) not only has expanded the level of Library of Congress acquisitions but also has effectively increased the volume and coverage of its cataloging, benefiting in substantial ways the many libraries that use Library of Congress records as a primary source for their own bibliographic work.

The application of computers to library operations and to bibliographic purposes is now more than ten years old. Many libraries use computers to control costs of routine processing and circulation, and a few have developed, at substantial cost in dollars and effort, impressive comprehensive bibliographic control systems. For example, the Ohio College Library Center provides an economical, computer-based catalog card production system used by hundreds of college and university libraries, and similar systems serve other institutions. Large quantities of bibliographic information both for monographs and, more recently, for periodicals, are now recorded and stored in machine-readable form at the Library of Congress and the National Library of Medicine. Some search-and-access systems for bibliographic information are operational and others are being developed.

More recently, regional affiliations such as the Research Libraries Group have been established to control collection growth, with member libraries assuming obligations for both specific subject areas or for specific materials; to attack the problem of safeguarding printed materials against deterioration; and to establish and operate a single, computer-based bibliographic records system, linked with an evolving national network.

Despite all these advances, several additional steps must be taken in the immediate future to preserve the vitality of the nation's research libraries and to help them meet their responsibilities to society. The actions called for are of such magnitude that success will be possible only through durable partnerships involving personal and institutional efforts and public and private resources. The way in which those partnerships are established will do much to determine the speed and quality of our progress.

Recommendations

SUPPORT FOR RESEARCH COLLECTIONS

The subject of library resources is more complex than it once seemed, but it is still the case that distinctive, extensive, dynamic, and well-organized collections of materials on specific subjects constitute the heart of a research library. Every large research library typically has many such collections and, aggregated nationally, these collections are a form of irreplaceable wealth. Exceptional collections are created less frequently now, and most of those that exist are maintained with increasing difficulty. The high cost of continuing acquisitions, the physical deterioration of materials, and the expense of maintaining the necessary skilled staff are all problems of growing magnitude. The hazard they pose to future intellectual vitality is serious.

The importance of comprehensive research collections to scholarship was clearly noted by the Carnegie Council on Policy Studies in Higher Education. Acknowledging the present difficulty of maintaining such collections, the council asserted that "the case for some degree of federal government support of large research libraries is precisely parallel to the case for federal government support of research and graduate education." This principle was recognized by Congress in enacting Public Law 94-482, the Education Amendments of 1976. This statute authorizes the Commissioner of Education to make grants for library resources to major research libraries at a level of $10 million during fiscal 1977, $15 million in fiscal 1978, and $20 million in fiscal 1979. The Senate report notes that "the new part C is intended to help research libraries maintain and strengthen their collections, which constitute an important national resource essential to scholarship and research, and to assist them in making their holdings available to other libraries whose users have needs for research materials."[4]

The general guidelines incorporated in the Senate report extend eligibility for federal support to institutions of higher education, public libraries, state libraries, and private, nonprofit, independent research libraries, provided that their collections "make an indispensable contribution to higher education and research, are broadly based, are recognized as having national or international significance for scholarly research, are of a unique nature, not widely held, and are of such importance that fairly substantial demands are made upon the institution by researchers and scholars outside its primary clientele." The provisions of the governing regulations, which have yet to be written, will influence in important ways the evolution of a more purposeful national program for resource development, materials preservation, and shared access. The close adherence of the regulations to legislative intent, together with full funding, will reflect a growing and reassuring comprehension that the well-being of research and scholarship is closely linked to the quality of exceptional libraries, and that strengthening the research libraries is in the nation's interest.

Recommendation 1
We recommend that regulations governing part C of Title II of the Higher Education Act of 1965 as amended in 1976 be given immediate and careful attention, and we urge passage of an appropriations bill adequate to carry out the provisions of the legislation.

A NATIONAL LENDING LIBRARY

Although subject collections of high quality are the heart of research libraries, the sheer volume of publication, nationally and worldwide, is reason enough for libraries and users alike to recognize that comprehensive coverage of all subject areas of possible research interest is no longer an achievable goal for any single library. Adding to the persuasive evidence are reduced library buying power, escalating costs for storage and collection maintenance, the prospect of infinitely growing collections, and the inevitably limited use made of most individual items.

The library profession has acted responsibly in seeking realistic alternatives to the traditional policies governing the acquisition, use, and maintenance of materials. Perhaps the most promising possibility is to extend in scope and effectiveness the concept of a "library for libraries" as embodied in the Center for Research Libraries. The principle underlying CRL is that the Center will collect comprehensively in specific format or subject categories, thus giving participating libraries an assured source of these items and thereby reducing their acquisitions obligations without curtailing their service capabilities. In effect, the availability of comprehensive shared collections enables individual libraries to concentrate on maintaining distinction in chosen areas rather than spreading their limited resources too thin in futile pursuit of complete self-sufficiency.

The Association of Research Libraries, the National Commission on Libraries and Information Science, and the Center itself are all now participating in research and exploratory discussions that have as their goal the expansion of existing shared facilities or the creation of new national lending collections. Initial attention is being directed to periodicals and other serial publications, simply because these materials, by their growth in number and cost and their great diversity, are a leading source and a representative example of present library problems. Whether an expanded national lending facility evolves from the Center for Research Libraries or some other course is taken, important questions related to governance and program remain to be resolved. Expansion of Center facilities is now essential even for the continuation of its established programs, to say nothing of new or expanded activities.

Ultimately, we believe, at least some federal funding for the continuing operation of any significant pool of research resources is essential in order to provide the assurance of continuity that is absolutely vital if individual libraries are to strengthen their own collecting and retention practices judiciously and confidently. This type of program is especially appropriate for federal funding since the impact of such support is amplified many times over as individual libraries throughout the country redeploy their resources to better effect and as access to important scholarly material is extended to increased numbers of scholars and researchers in all parts of the nation.

Recommendation 2

We recommend that the federal government and other funding sources encourage and support national efforts of the sort exemplified by the collaborative work of the Library of Congress, the Association of Research Libraries, the National Commission on Libraries and Information Science, and the Center for Research Libraries toward the establishment of a national lending library which would lead to greater sharing of library resources.

A PERMANENT COMMISSION ON LIBRARY RESOURCES

While additional public support for both distinctive subject resources and new national collections will expedite access, promote local operating efficiency, and assure the availability of needed materials, an additional step is required to meet the complexities of these and related issues. Building and maintaining research collections is too extensive and diffuse an enterprise to be centrally managed in any usual sense of the term, nor should information resources and the bibliographic processes that provide the key to their content ever be susceptible to restrictive control. Nevertheless, a way must be found for scholars, researchers, and all who depend on substantive information for their livelihood, along with library administrators who are in the end responsible for meeting their needs, to assess routinely the quality of national resources and, when necessary, to influence or promote action by responsible agencies and institutions to strengthen these resources. Librarians and scholars alike can do themselves and the country a great service if they can establish new ways to work together to accomplish their shared goals.

Recommendation 3

We recommend that the Library of Congress explore with the country's leading learned societes and research-library organizations the possibility of establishing a permanent body to assess the quality of national library resources, to promote action by responsible agencies, and to help shape national policies.

THE IMPROVEMENT OF BIBLIOGRAPHIC SERVICES

As the volume and complexity of worldwide publication has grown, traditional bibliographic control methods have become cumbersome and costly. As a result, abstracting and indexing services have expanded rapidly and become more sophisticated, enabling researchers to cope at least with the flood of journal and report literature in the natural and social sciences. Computer-based search services, employing many of the same data bases as the abstracting and indexing services, complete searches of a kind not easily accomplished using printed sources alone.

For the great bulk of library materials, however, making fundamental changes in the preparation and use of bibliographic records has proved far more difficult. Substantial expenditures of effort and money over the past decade have only recently provided the base of knowledge and skills that today sets libraries on the threshold of a major bibliographic revolution.

The most visible and impressive accomplishments thus far are those that have automated much of the work of producing and maintaining catalog records and of carrying out many labor-intensive processing activities. As noted earlier the Ohio College Library Center now provides computer-produced catalog cards at low cost of hundreds of subscribing libraries. The New York Public Library has developed a computer-based record system that has enabled it to produce a published, periodically cumulated book catalog. Several large university libraries have developed comprehensive record-processing systems that have substantially improved acquisitions and cataloging work. Most prominently, the

Library of Congress has embarked on several programs designed to improve bibliographic processes within the library itself and also to expand the library's already substantial contribution to national and international bibliographic control activity and continues to support many projects and to provide professional guidance and assistance in many critical areas.

The immediate results of these and other related efforts are new methods of producing high-quality, standardized bibliographic information in increasing quantities, the development of new systems to use the information in a wide range of internal library operations, and the production of catalog cards and related records in a variety of formats. Recent progress is impressive, and prospects are now good that newly developed capabilities will benefit a growing number of libraries and their users.

There remain, however, many difficult and important questions to be resolved relating to the content and linking of records, to record-distribution methods, and to new forms of bibliographic products. The answers to these questions will influence in fundamental ways both individual library performance and our national capacity to support research and scholarship.

The Library of Congress is the established center for the production of high quality bibliographic records and is potentially the primary producer of both general and specialized bibliographic products. It is obvious that the library must continue to be the center for national bibliographic operations and that adequate budgetary support for this aspect of the library's activity is essential.

Not so clearly developed within the country's libraries is a capacity for long-range planning in matters related to bibliographic control. This element is much needed, given the dynamic character of present efforts and the possible impact of soon-to-be-made decisions on library operations and on scholarship and research. While several approaches are possible, it is certain that research libraries and their users, acting together, must find a way to address basic questions promptly.

Recommendation 4

We recommend that the Library of Congress expand its role in national bibliographic operations and that the Association of Research Libraries and other representatives of libraries, together with representatives of the scholarly community and other users, join with the Library of Congress and other appropriate groups to formulate long-range plans for improving bibliographic service.

The benefits to libraries and scholars alike of wise and imaginative guidance in these matters during the years ahead can be substantial. Such benefits are unlikely to come by accident.

THE IMPROVEMENT OF LIBRARY MANAGEMENT

While the visible form of libraries will not dramatically change in the near future, their operating methods and the research methods of their users will change in many ways. As we said earlier, controlling the nature of this change is at the heart of our concern. Too little is known, however, about many fundamental matters of library management. More information than we now have is required about the relationship between user needs and library services, the quality and utility of published information, the economics of library operations, and the potential capacities of technology appropriate to information processing. Further, there is a need to give users a better understanding of the needs of libraries and of the new ways in which libraries can be of service to their users.

Recommendation 5
We recommend that the Association of Research Libraries establish a research and analysis unit to develop the information necessary for improving the managment of library services. The proposed unit would assemble data, conduct special studies, and promote research on topics of concern. The unit and the ARL itself would work to develop by consultation and communication better understanding of the nature of library problems and of the steps needed to solve them. One goal of this effort would be to strengthen relationships between users of research libraries and those responsible for operating them.

THE PRESERVATION OF LIBRARY MATERIALS

The preservation of library materials is a matter of great importance. Large portions of many of the country's oldest and most distinctive collections are literally crumbling on the shelves. Paper deterioration is most serious in materials published during the last 150 years, but these materials represent the great bulk of these collections, numbering many millions of volumes. It is essential that the content of these publications not be lost, even if it proves impossible to save the volumes in their present form.

A number of studies have focused on the preservation problem, and several alternative courses of action have been proposed. It is obvious that no single method of preservation will suffice, but it is clear that a national program to film large and carefully selected quantities of deteriorating materials is an essential element in any full-scale preservation program. A few libraries have for some time committed operating funds to preservation efforts, but neither sufficient funding nor the essential framework of a national plan has been available, and these efforts have hardly scratched the surface.

The magnitude of the job to be done and its importance to the long-range interests of scholarship and research are irrefutable. The goal is not to preserve the resources of many individual libraries but rather to preserve the substance of an indispensable part of the record of human achievement. Thousands of books have already been lost, and hundreds of thousands are now so fragile that any further use is in effect the last use.

The Library of Congress has recently taken the lead in a new effort to establish and promote a national plan for the preservation of library materials. Coordination and operating guidelines are essential elements, but, in the end, federal funding is an inescapable requirement for any significant progress. In the immediate future, the means must be found to provide support for what is literally the preservation of our cultural and intellectual heritage.

Recommendation 6

We recommend that the federal government give

urgent attention to the preservation problems faced by research libraries. Substantial funding and the leadership of the Library of Congress are both required to assure an effective national program.

NEW MODES OF COOPERATIVE ACTION

The major research libraries of this country are vital to the success of scholarly inquiry. The problems they face are immediate and urgent, and these problems will not be resolved by individual libraries acting alone.

Direct federal appropriations are required for certain specific purposes: (1) for supplementary support for the distinctive, nationally important collections that are found in individual libraries; (2) to provide capital and at least partial operating support for national lending collections; and (3) for a national program of microfilming. It is also clearly evident that the Library of Congress, as the national library on which all other research libraries are dependent in many ways, must assume a leadership role in solving the problems of bibliographic exchange. Only the Library of Congress is in the position to assume operating responsibility for the central elements of the automated bibliographic network that is essential to research and scholarship and thus to the survival of research libraries across the country.

Research libraries, individually and collectively, will still bear much of the responsibility for planning and directing their own futures, but they must press for change on a national scale, and they must use the flexibility that new national ventures will bring to reshape their own internal practices. They must find ways to establish long-range planning capabilities in all areas of central concern, acting as inseparable parts of a joint venture of great public importance. Further, they must find new ways to expedite the work of scholars and scholars-to-be by opening in imaginative ways all useful avenues to recorded infromation, whatever its form.

Finally, the scholars, scientists, and other major users of research libraries have an obligation to participate productively in the development of more effective techniques and procedures. There is enough for all to do, and the well-being of research libraries now depends on how well all parties do their part.

NOTES

1. Herman H. Fussler, *Research Libraries and Technology* (Chicago: University of Chicago Press, 1973), pp. 17-19.
2. *Toward a National Program for Library and Information Services: Goals for Action* (Washington, D.C.: National Commission on Libraries and Information Science, 1975).
3. William J. Baumol and Matetyahu Marcus, *Economics of Academic Libraries* (Washington, D.C.: American Council on Education, 1973).
4. U. S. Senate, Report. 94-882 (Washington, D.C.: U. S. Government Printing Office, 1976).

Senator PELL. Thank you very much, indeed.

As you know, this question of a National Periodical Center is fraught with a certain amount of controversy. We did not intend this to be a hearing on that, because the White House Conference on Libraries this November is going to discuss the future role of the Federal Government in the library area.

And I am wondering, Dean Churchwell, if you don't think we should wait until the Conference is held and its recommendations made before we consider any new program, such as a National Periodical Center.

Dr. CHURCHWELL. Senator, I am sure that the White House Conference will produce some new insights and some effective programs. However, the question of a National Periodical Center has been studied exhaustively the last 8 years, and we have had a very open session at which this problem was discussed by all elements—higher education, the publishing industry, and users of libraries, and we do feel that the center is needed now, and that very little could be gained by postponing it until after the White House Conference.

Senator PELL. As you know, I do not think there has been a hearing yet on this. I think on the House side, it was put in the bill, but without a hearing; am I correct on that?

Dr. CHURCHWELL. That is correct.

Senator PELL. Yes; I realize it has merit, and we are looking forward to studying it and also, frankly, by the time we get around to marking this bill up, the White House Conference may very well have taken place.

Under title II, the college library programs, how much benefit can a college really get from these little, $3,900 grants?

Ms. TURNER. Well, my library budget is less than $35,000 for books, just for books. So you see, if you do get in the area of $5,000, that is a good chunk. And the other libraries have even smaller book budgets. So it might not sound like a lot of money, but it is quite valuable in Vermont.

Senator PELL. I do see that. That would really be 10 percent of your total budget.

Ms. TURNER. Yes; we have some excellent small schools, like Vermont Technical College, that the $5,000 was a great deal for them.

Senator PELL. Yes; I think that is a very valid point, indeed. Dr. Galvin?

Dr. GALVIN. Senator, if I might add to that, the proposed reauthorization allows for an increase in the maximum grant to $10,000, and we would very strongly support that in light of the devastating effects of inflation on the cost of books and periodicals.

Senator PELL. I am startled at that, because I follow the price of school books, too, and I notice how they have almost doubled in the last very few years.

The administration proposed and Congress agreed to $6 million for grants to research libraries. Do you think that is an appropriate level, or do you have any suggested changes in the research library program?

Dr. CHURCHWELL. We would hope, Senator, that the appropriation could be much higher than the $6 million. The $6 million has served to support only about 20 percent of those research libraries which applied for grants in 1978. In 1978, 101 libraries applied, asking for assistance in the amount of $27 million. Of course, we were able to assist only 20 of those.

Senator **Pell**. Thank you.

Incidentally, I would add here, in behalf of my colleagues who may not be here, and myself, we would like to retain the right to submit written questions to you for a reply, and the record will remain open for that purpose for at least 2 weeks. Also, any further followup statements that you care to submit to us will be included in the record and studied.

Senator Stafford?

Senator **Stafford**. Thank you, Mr. Chairman. I want to thank all three members of the panel for your helpful testimony this morning.

I have just two questions at this time. One is directed to Ms. Turner or the entire panel, and that has to do with the $10,000 recommendation from $5,000. I know money is tight, even here in Washington, and quite possibly, shooting for $10,000 may be more than can be accomplished. But in fact, is $10,000 enough, in view of the inflation that we have experienced in recent years?

Ms. **Turner**. Well, just speaking for Vermont colleges, $10,000 would be a shot in the arm that they would greatly, greatly appreciate. Places like Bennington and Goddard need the money desperately. We are starting a new program in art therapy that we need money desperately for. So it might not sound like much when you are speaking of millions for nuclear research, but to us, it is a lot of money.

Senator **Stafford**. Would anybody else care to comment?

Dr. **Galvin**. Senator, if I might just add to Ms. Turner's response, which I completely agree with, I think your question underscores the interrelatedness of all of the parts of title II, including the new proposed part D for the National Periodical Center, because that would mean a very substantial overall increase in the level of Federal support in a number of ways which would help to reduce the financial burden for the kinds of smaller academic libraries that Ms. Turner spoke to.

For example, the support of the National Periodical Center would make it possible for some of those smaller libraries to forego the costs of very expensive journal subscriptions, which they could then depend on the National Periodical Center to provide. Similarly, the higher level of funding proposed for part C would make it possible for a greater number of the Nation's greatest research libraries to make their resources more readily available through sharing with smaller academic institutions.

Senator **Stafford**. Thank you very much, Dr. Galvin.

And now, if I could turn to Dean Churchwell, since we may be considering a Periodical Center in the future, and you testified it has been studied for several years, could you give the committee any ball park estimate of what the cost of establishing such a center might be initially?

Dr. **Churchwell**. We are supporting the recommended sum of $15 million.

678

Senator **Stafford**. Have you any estimate of what it might cost per annum to sustain it if established?

Dr. **Churchwell**. I do not have hard figures on what it would cost to operate it on a per annum basis.

Senator **Stafford**. It might be well, Dean, if before we reach markup, should this come up in our considerations, if we had some sort of a ball park estimate on what it might cost annually to operate the Center.

Dr. **Churchwell**. I should like to add, Senator Stafford, another one of my colleagues will also be speaking on this issue, and she will have that figure.

Senator **Stafford**. OK. Thank you. Thank you all, and as a Vermonter who believes in short speeches, along with our chairman, I compliment you on 2 out of 3 coming in under your 5-minute allocation of time.

Senator **Pell**. Thank you very much.

I have one final question I want to ask. You know, the administration suggests that these funds, the $3,900 or whatever it is, be distributed on a need basis, whereas the Ford bill believes it should be divided equally to all institutions.

Do any of you have any views on which approach is best?

Dr. **Galvin**. Senator, in my written testimony, the American Library Association has commented on that. We do recognize that the concern about distribution of these grants on the basis of need has been a problem with respect to the continuing appropriation for the program.

We would be very pleased to work with the subcommittee and bring some proposals at an appropriate time with relation to need. We have been studying this question. It does turn out to be a more complex one than one might at first imagine.

And our concern with a needs test, if you will, is that it might serve as an obstacle to supporting the very smallest institutions which the program seeks to help. We do not want to involve those institutions in such a burden of application that that application process in itself becomes an obstacle to channeling the funds in the direction that the Congress wishes them to go.

Senator **Pell**. So in essence, what you are saying is you do not know which is best, isn't that correct?

Dr. **Galvin**. I am saying, Senator, that we would be concerned as to how an application process establishing need might be developed. And we would like to bring some recommendations at a later time with respect to that.

Senator **Pell**. Right. But as of now, in your statement—I have not had a chance to peruse it yet—you do not recommend one approach over the other.

Dr. **Galvin**. No, we do not, Senator.

Senator **Pell**. I think it would be helpful to the committee if you did eventually.

Yes, Ms. Turner?

Ms. **Turner**. The way it stands now, I think it is one of the most democratic things that Congress does. Everybody that applies gets the same amount of money, and different libraries might appreciate it more, but nobody can sneer at $5,000. They can all buy a set of encyclopedias. And it is a very simple way now. The report is very simple; the expenditures are very simply stated. So it is done very well.

Senator **Pell**. I am inclined to agree with Ms. Turner's view, because I think simplicity in Government is also important and the ability of people to make plans.

But at any rate, I will be interested in the American Library Association's final view on the recommendation on that. But my own, off-the-top-of-my-head reaction is to agree with Ms. Turner, I think.

Thank you very much, indeed, for being with us.

Our next panel is a library panel, with Ms. Connie Dunlap, president-elect of the Association of Research Libraries; Mr. Townsend Hoopes, President of the Association of American Publishers, and Hon. Charles Benton, chairman of the National Commission on Library and Information Science.

Thank you. We are very glad to greet you here. Mr. Benton and Mr. Hoopes are both old friends and good friends, and we are just delighted to welcome you here.

STATEMENT OF CONNIE DUNLAP, UNIVERSITY LIBRARIAN, DUKE UNIVERSITY LIBRARIES AND PRESIDENT-ELECT, ASSOCIATION OF RESEARCH LIBRARIES; TOWNSEND HOOPES, PRESIDENT, ASSOCIATION OF AMERICAN PUBLISHERS; AND CHARLES BENTON, CHAIRMAN, NATIONAL COMMISSION ON LIBRARY AND INFORMATION SCIENCE, A PANEL

Ms. **Dunlap**. Thank you, Mr. Chairman.

My name is Connie Dunlap, and I am the university librarian at Duke University and the incoming president of the Association of Research Libraries.

I would like to begin by pointing out that the several programs authorized by title II are supportive of each other, and together form an overall program which is stronger than the sum of the individual parts.

In concert, all three programs help to build a national system of library services to post-secondary education at all levels.

In the past, scholars, educators, librarians and legislators have focused on the problems facing our Nation's research libraries. Their investigations have produced many creative and thoughtful recommendations, and title II-C provides the libraries with Federal funds to begin to implement them.

One recommendation universally accepted in the library and research communities is that we must develop a nationwide data base describing the books and periodicals in all of the major research libraries to facilitate the sharing of resources. At least seven of the title II-C award recipients are using their grants to put records of special collections into data bases accessible to other libraries. Another seven libraries are using II-C dollars to develop data bases describing their periodical holdings.

Because the prices of periodicals are rising more rapidly than any other component of the Higher Education Price Index, it is vital that libraries share these materials.

Another priority for research libraries is the preservation of rapidly deteriorating collections. At least 11 libraries are applying II-C funds for microfilming and other preservation activities. Librarians agree that a national preservation program is urgently needed. Title II–C funding is helping to move us in this direction.

Title II–C grant recipients have been given the opportunity to apply the best thinking on research library problems to their operations. We strongly recommend that this program be continued.

In addition, we welcome the introduction of S. 1841, and ask that the Senate further strengthen the library programs of the Higher Education Act by adding legislation for a National Periodical Center.

The plan for the NPC creatively addresses most of the library problems described earlier, specifically as they relate to periodicals. The escalating cost of materials, the expense of interlibrary loan, the need for a national data base, and preservation are all problems which the National Periodical Center would alleviate.

The establishment of an NPC is crucial, because the periodical is the single most important medium for communicating the results of research to scholars, to industry, and to the interested public.

An NPC will greatly improve access to periodical publications. Libraries can no longer keep up with the rapidly rising costs and the number of new periodicals. This trend is forcing libraries both to buy fewer books for their users and to cancel subscriptions. With the National Periodical Center, libraries will be able to continue to provide needed information.

There are no existing mechanisms capable of providing services envisioned for an NPC. The current system of interlibrary loan is inefficient, inadequate and unreliable. No segment of the for-profit sector could or wants to provide the full range of services needed. They do not have the collections and there is no economic incentive to develop them.

In order to have an efficient and reliable system, it is essential to have a dedicated collection administered by a center which is also responsible for locating and requesting titles from other agencies.

There is no other way to guarantee access and permanent availability of periodical publications. A communications system alone cannot achieve the central objective of the NPC delivering the document to the user.

The NPC will make a major contribution toward the preservation of serial publications through microfilming, centralized inventory control, controlled storage environment, and coordination of acquisitions and weeding activities.

In addition to serving scholars and researchers, an NPC would benefit many people including those in business and industry. A recent study indicates that most interlibrary loan requests for periodicals come from users of public and special libraries.

We believe that provision for a National Periodical Center in the Higher Education Act would, for a relatively small investment, substantially strengthen the service to users of both the large and small institutions currently receiving grants under title II.

The proposed legislation is the culmination of years of discussion and study of ways to improve access to periodical literature.

We hope that you will consider the plan for a National Periodical Center when you are revising the Higher Education Act, as well as the statements in support of the programs currently authorized by title II–C.

Time did not permit giving full support in this testimony to titles II–A and B, but that support does appear in our written testimony.

I thank you for the privilege of appearing before you today.

[The prepared statement of Ms. Dunlap follows:]

Statement of

Connie Dunlap

Librarian, Duke University Libraries

on behalf of the

Association of Research Libraries

before the

Subcommittee on Education, Arts, and the Humanities

of the

Senate Committee on Labor and Human Resources

on

Reauthorization of the Higher Education Act

October 4, 1979

My name is Connie Dunlap. I am the Librarian of the Duke University Libraries and the President-Elect of the Association of Research Libraries (ARL). The members of the Association are the 110 largest research libraries in North America; 89 of our members are the libraries of private and publicly-supported American universities. We are here today to speak in support of the Title II program, and wish to comment particularly on Title II-C, Strengthening Research Library Resources, and the crucial funding it provides for the major research centers of the nation.

I would like to begin by pointing out that the several programs authorized by Title II are supportive of one another and together form an overall program which is stronger than the sum of the individual parts.

The institutions which receive Title II-A funding and those which qualify for II-C awards enrich American higher education in different ways. Title II-A grants help smaller libraries to develop collections and services particular to the needs of their local clientele. For example, with a relatively small II-A award a community college library may develop a specialized audio-visual collection in support of a local ethnic heritage program, purchasing materials not likely to be otherwise accessible to its users. Smaller libraries apply II-A grants to meeting immediate needs in their parent institutions and communities, while the focus of resource development in libraries eligible for II-C grants, which I will describe today, is increasingly national. In concert, the two programs help to build a national system of library service to post-secondary students at all levels.

The support for training and research which Title II, Part-B provides to all the nation's libraries - public and private, large and small - cannot be overemphasized. Information technology is changing rapidly, the range of library services has broadened, and library organizational structures are more diverse. The skills and knowledge required to provide library services grow in magnitude and complexity each day. Title II-B fellowships provide much needed support for continuing education to develop expert personnel trained in the latest techniques and developments in library and information science. Beyond that, the research carried out by individuals on II-B fellowships or funded under Section 223 is desperately needed in our field because rising costs and diminished budgets are forcing the exploration of more efficient alternatives at the same time that new technologies are opening up exciting possibilites. There is very little Federal funding for library operations or policy research outside of Title II (National Science Foundation sponsored research most often focuses on information theory). Yet libraries cannot operate at maximum effectiveness without a reliable body of information on such topics as user preferences, applications of technologies, or the methods and impacts of library networking. Some of the important innovations of the '70s, not the least of which is the Ohio College Library Center (OCLC, Inc.), have benefited from grants under the authority of Title II-B. We urge the continuance of such grants into the '80s. We also recommend that funding for research no longer be held to only one third of the total II-B allotment.

The operations, resources, and services of large research libraries have been particularly affected by the combination of rising costs, shrinking budgets, and technological innovation alluded to earlier. Because of this scholars, educators, librarians, and legislators have turned their attention to the problems facing our nation's research libraries. Their deliberation and investigations have produced many fine reports (see bibliography attached), including the significant study by 15 university presidents entitled Research Universities and the National Interest[1] and the well-known Carnegie Council study.[2] All of these reports reach the same conclusion: it is in the national interest to provide Federal funding for America's research libraries and archives, which are described as "a precious and irreplaceable national resource"[3]. Title II-C is an especially valuable legislative program because it provides research libraries with federal funds to implement the creative and thoughtful recommendations which have grown out of so much careful study. I would like to describe how this is happening in some specific areas.

One recommendation universally accepted in the library and research communities is that we must develop a nation-wide bibliographic data base describing the books and serials in all major libraries. This data base will enable libraries to share specialized resources, and also will allow libraries to share catalog records, which are expensive to create. While most libraries are entering their records for newly acquired books into any one of a number of automated bibliographic systems now available, few libraries can afford to add older specialized collections to these data bases, even though these specialized collections are among those we most need to share. At least seven of the Title II-C award recipients are using their federal grants to put cataloging records for specialized collections into computer data bases accessible to other libraries.

Another seven research libraries are using II-C dollars to develop data bases describing their periodicals holdings. Because the prices of journals and other serials are rising at a higher rate than any other component of the Higher Education Price Index,[4] libraries are increasingly less able to meet the demands of their users for periodical literature. It is, therefore, especially important that libraries share these materials. For example, a recent study showed that many libraries have had to respond to rising prices by canceling subscriptions,[5] so that II-C money used to develop shared lists of serials holdings is well spent. It is also worth noting that these II-C serials projects are stimulating other projects and accelerating the development of standards for describing serials holdings. The Council on Library Resources is planning a meeting of II-C award recipients who are developing automated serials lists so that their efforts will be coordinated and these projects will be truly national in scope.

Another widely recognized priority for research libraries is the preservation of their rapidly deteriorating research materials. Unlike the 40,000 tablets discovered at Ebla, the records of our civilization are not baked into clay, and unless microfilmed or otherwise preserved they will not be around even 50 years from now. At least eleven research libraries are applying II-C funds to microfilming, restoration, or other preservation activities. Most preservation librarians agree that a coordinated national preservation program is needed,[6] a view strongly supported by the ARL. Title II-C funding for preservation and automated bibliographic control is helping to move us in this direction.

Because Part-C is a new program, it is probably too early to indicate how it might be improved. However, it has already demonstrated its value. II-C grant recipients have been given the opportunity to apply the best thinking on research library problems to their operations. We strongly recommend that this program, which provides the means for constructive action be continued.

However, there is at least one widely endorsed plan for strengthening the nation's library resources which cannot be implemented within the present structure of Title II. I refer here to the plan for a National Periodical Center (NPC), formally endorsed by 15 professional library and information service organizations[7], including the Association of Research Libraries and the American Library Association. The plan creatively addresses most of the library problems described earlier, specifically as they relate to periodical publications; escalating costs of research materials, the expense of interlibrary loan, the need for a national data base of bibliographic and location information, and preservation of deteriorating materials are all problems which a National Periodical Center would alleviate.

The periodical is the single most important medium for communicating information about the results of research to scholars, to industry, and to the interested public. Because of the serious financial retrenchments occurring in the 1970's, the ARL, as well as other library, publishing and information agencies, and scholarly and educational associations, have become increasingly concerned about the steady erosion of information services, particularly providing users with access to periodical literature. Indeed, in the past seven years the ARL has conducted no less than five major studies on access to periodical literature through interlibrary loan. The extensive investigations of this problem by ARL examined the feasibility of communication systems, mechanisms for delivering documents to users, costs, and alternative methods of financing. These studies culminated in the 1975 ARL recommendation that the Federal government establish and support a national periodical resources library.

Since 1975, the National Periodical Center concept has been studied extensively by many other groups, including the National Commission on Libraries and Information Science (NCLIS). (A selected bibliography is appended.) Interest in and support for the plan has continued to grow, particularly in the past six months. The Commission, acting in its capacity as an independent government body, sponsored an open hearing on a National Periodical Center in March 1979 attended by 200 individuals broadly representing the library and information communities. The NCLIS summary of the proceedings of the hearing is appended to this testimony for inclusion in the record. As the proceedings indicate, support for the NPC concept was strong, and a team to draft a legislative proposal was appointed.

The Drafting Team, consisting of representatives from both the non-profit and for-profit information communities, developed a sound, workable, flexible draft proposal which draws on the expertise of all the interested parties. In addition, the House Subcommittee on Postsecondary Education has taken the initiative of introducing legislation which would establish a National Periodical Center under a new Part-D in Title II of the Higher Education Act. The proposed Part-D described in H.R. 5192 is essentially identical to the Drafting Team proposal. The Association of Research Libraries welcomes these efforts and strongly endorses these proposals. We also welcome the introduction of S. 1841 and appreciate the opportunity you have given us to ask that the Senate significantly strengthen and enhance the library programs of the Higher Education Act by incorporating enabling legislation for a National Periodical Center into the extended act.

I would like to take this opportunity to briefly describe the case for a National Periodical Center.

1. An NPC will greatly improve access to periodical publications. Those responsible for providing information services are less and less able to meet the demands of users for information. Purchasing power has been seriously eroded in the past decade and there are no indications that this situation will improve. At the same time, the number of periodical publications, as well as their costs, have increased significantly in the last decade. The shift in spending from the monograph budget to the serial budget has been particularly pronounced in large academic libraries. In 1969, these libraries were spending twice as

great a portion of their materials budget on serials as on monographs. By 1976, these libraries were spending $1.23 on serials for every dollar spent on books. If present trends continue, by 1990 major academic libraries would be buying no new monographs.

This trend is forcing libraries both to buy fewer books and to cancel serials subscriptions. The result is the erosion of the ability of libraries to deliver information to users. By relying on a National Periodical Center for journals not in sufficient demand locally to justify a subscription, libraries could continue to provide needed information while increasing the percentage of the library budget available for purchasing high demand materials.

2. In order to have an efficient and reliable system, it is essential to have a dedicated collection administered by a Center, which is also responsible for locating and requesting titles from agencies that contract with the Center to share resources. There is no other way to guarantee access and permanent availability to a comprehensive collection of periodical publications. A communication system, or a bibliographic system alone, cannot achieve the central objective of the NPC — which is document delivery. It is essential to insure that the titles are accessible and that there is a system

to deliver them to the user. The NPC will be responsible for access to materials in its own collection, and would also coordinate the bibliographic, communications and referral support systems needed to accomplish the NPC objectives.

3. There are no existing mechanisms capable of providing the services envisioned for an NPC; the current system of interlibrary loan is inefficient, inadequate and unreliable, as ARL studies have shown. And finally, no segment of the for-profit sector could or wants to provide the full range of services needed -- they do not have the collections, and there is no economic incentive to develop them. While the for-profit sector may play an important role in providing access to a limited number of titles, we must not delude ourselves that doing a better job of coordinating what already exists will adequately solve our problem. Without an NPC libraries cannot continue to fill the current annual demand estimated at 6 million copies of articles from 60,000 different titles published all over the world in the last 100 years.

4. An NPC with a permanently available collection will eliminate the need for libraries to store and maintain extensive backfiles of periodical titles. This is probably the most significant economic saving for libraries resulting from the NPC. In order to effect this saving, librarians must feel secure that a Periodical Center, established in the national interest, will maintain "thin market" collections.

5. The NPC will make a major contribution toward the preservation of serial publications through microfilming, centralized inventory control, controlled storage environments, and coordination of acquisition and weeding activities. The rapid physical deterioration of periodicals coupled with frequent theft and loss of issues makes preservation of this material a particularly pressing problem.

6. In addition to serving scholars and those engaged in advanced research, an NPC would benefit many kinds of people requiring access to periodical literature. A recent study commissioned by NCLIS indicates that users of public and special libraries request the largest number of photocopies of serials literature on interlibrary loan. An NPC would provide these users with assured and timely access to journal literature to a degree not now possible. Public and special libraries now depend upon the largest academic libraries. However, these large academic libraries are increasingly unable to maintain their subscriptions or to provide interlibrary lending services.

The Association of Research Libraries believes that provision for a National Periodical Center in the Higher Education Act would, for a relatively small investment, substantially strengthen the service to users of both the large and small institutions currently receiving grants under Title II. The proposed legislation is the culmination of years of discussion and study of ways to improve access to periodical literature.

The NPC has been the subject of extensive discussion among members of the publishing, library, educational, information, and research communities in the public and private sectors. Several major studies on the NPC have been completed by the ARL, NCLIS, the Council on Library Resources, and more recently, Arthur D. Little, Inc. While there are specifics of the operation and management of the NPC that need further consideration, it is the feeling of the professional community that technical questions (such as those raised by the Council on Library Resources) and details of the respective responsibilities of the private and public sectors (the focus of A. D. Little's report) must be decided by the NPC Board and management. However, the documentation of need and the exploration of alternatives indicate that we have gone as far as we need to in analyzing the problem. It is time to take action.

We hope that you will consider this plan for a National Periodical Center when you are revising the Higher Eduction Act, as well as our statements in support of the programs currently authorized by Title II. Thank you for the privilege of appearing before you today.

References:

1 Research Universities and the National Interest: a Report from Fifteen University Presidents. (New York: Ford Foundation, 1978).

2 Carnegie Council on Policy Studies in Higher Education. The Federal Role in Postsecondary Education, Unfinished Business, 1975-1980. (San Francisco: Jossey-Bass, 1975).

3 American Council of Learned Societies. Committee on Research Libraries. On Research Libraries. (Cambridge, Mass.: M.I.T. Press, 1969) p. 77.

4 National Enquiry into Scholarly Communication. Scholarly Communication, the Report of the National Enquiry. (Baltimore: Johns Hopkins University Press, 1979) p. 149.

5 Machlup, Fritz and Kenneth Leeson. Information Through the Printed Word. (New York: Praeger, 1978) v.3, p. 69.

6 American Library Association. The ALA Yearbook 1978. (Chicago: ALA, 1978) p. xxxi-xi.

7 A list of the organizations endorsing the NPC is appended.

9/10/79

Organizations Endorsing the National Periodical Center

AMERICAN ASSOCIATION OF LAW LIBRARIES (AALL)

Members: 2700

Librarians who serve the legal profession; associate members are book dealers, publishers and other interested persons.

AMERICAN LIBRARY ASSOCIATION (ALA)

Members: 33,000

Librarians, libraries, trustees, friends of libraries and others interested in the responsibilities of libraries in the educational, social and cultural needs of society.

ASSOCIATION OF AMERICAN UNIVERSITIES (AAU)

Members: 50

Executive heads of universities

ASSOCIATION OF COLLEGE AND RESEARCH LIBRARIES (ACRL)

Members: 9012

A division of the American Library Association consisting of librarians, book dealers, archivists, library educators and others interested in libraries and librarianship. Represents research and special libraries in institutions of post-secondary education.

ASSOCIATION OF GRADUATE SCHOOLS IN ASSOCIATION OF AMRERICAN UNIVERSITIES (AGS)

Members: 50

Deans of graduate studies in the 50 universities comprising the Association of American Universities.

ASSOCIATION OF RESEARCH LIBRARIES (ARL)

Members: 110 institutional

The principal association of the largest university and research libraries in the U.S. and Canada, including the Library of Congress, the National Library of Medicine, and the National Agricultural Library.

ASSOCIATION OF SPECIALIZED AND COOPERATIVE LIBRARY AGENCIES

Members:

Represents the state library agencies, specialized library agencies, and multi type library cooperatives.

CALIFORNIA LIBRARY AUTHORITY FOR SYSTEMS AND SERVICES

Members: 126 institutional

Organization of state, academic, public and special libraries in California.

CHIEF OFFICERS OF STATE LIBRARY AGENCIES (COSLA)

Members: 51

State and territorial librarians, directors, commissioners or officials who head state and territorial agencies which are responsible for statewide library development.

MEDICAL LIBRARY ASSOCIATION (MLA)

Members: 4600

Professional society of librarians and others actively engaged in library or bibliographical work in medical or allied scientific fields; medical libraries and allied scientific libraries.

NATIONAL FEDERATION OF ABSTRACTING AND INDEXING SERVICES (NFAIS)

Members: 41 institutional

Cofederation of major abstracting and indexing service organizations.

NEW YORK LIBRARY ASSOCIATION

SPECIAL LIBRARIES ASSOCIATION (SLA)

Members: 11,000

International organization of professional librarians and information experts who serve organizations in the fields of business, medicine. science, technology and the social sciences.

AMERICAN SOCIETY FOR INFORMATION SCIENCE (ASIS)

Members: 3500

Information specialists, scientists, librarians, administrators, social scientists and others interested in the use, organization, storage, retrieval, evaluation and dissemination of recorded specialized information.

UNIVERSAL SERIALS AND BOOK EXCHANGE (USBE)

Members: 1650

Libraries and institutions with library installations throughout the world.

ANNOTATED BIBLIOGRAPHY

The annotated citations provide a brief review of a series of related studies. The remaining studies also contributed to the present knowledge base concerning access to periodicals. Citations are listed in chronological order.

1. Wood, James L., A Review of the Availability of Primary Scientific and Technical Documents Within the United States, Vols. I - III, Columbus, Ohio: Chemical Abstracts Service, 1969.

   This study investigated the availability of serials and conference reports to users in the United States. One of its purposes was to measure the effectiveness of the existing interlibrary loan system. Wood's main conclusions were: (1) scientific and technical serials and conference proceedings volumes are not widely enough available to users in the United States; (2) the borrowing of such documents through interlibrary loan is both uncertain and time-consuming; and (3) specialized document collections are needed as back-up resources for the library community.

2. Palmour, Vernon E., Edward C. Bryant, Nancy W. Caldwell, and Lucy M. Gray, A Study of the Characteristics, Costs, and Magnitude of Interlibrary Loans in Academic Libraries, Westport, Connecticut: Greenwood Publishing Company, 1972.

   The Association of Research Libraries (ARL) undertook this first national study of the academic interlibrary loan activities in 1970. Results, based on a national sample of academic libraries, showed that for the year 1969-70 academic libraries received about 2.1 million loan requests, of which 48 percent were for periodicals. Interlibrary loan costs were also reported.

3. Stevens, Rolland E., A Feasibility Study of Centralized and Regionalized Loan Centers, Washington, D.C.: Association of Research Libraries, 1973.

Statistics on interlibrary loan activities in the United States were reviewed. The purpose of the study was to provide background information for the development of a national center or a system of regional centers that would provide user access to library materials of all types not held locally. It was recommended that a national system for interlibrary lending be established with strong central planning and coordination but a highly decentralized service program.

4. Hayes, Robert M., A Study of a System for Interlibrary Communication (SILC), Washington, D.C.: Association of Research Libraries, 1974.

   The purpose of the study was to develop data on which to evaluate the feasibility of the use of time-sharing computer systems as a means for communication, accounting, message switching, and referral of interlibrary loans. Such a system was reported feasible in each of four areas investigated: technical feasibility, operational feasibility, management feasibility, and economic feasibility. Further development and pilot testing of the system was recommended.

5. Palmour, Vernon E., Edwin E. Olson, and Nancy K. Roderer, Methods of Financing Interlibrary Loan Services, Washington, D.C.; Association of Research Libraries, 1974.

   Various means for financing interlibrary loans were investigated. Four possible fee structures were identified as the best options. If it were necessary for lending libraries to charge for interlibrary loans, a fee based on partial cost recovery was recommended. A coupon system was described.

6. Palmour, Vernon E., Marcia C. Bellassai, and Lucy M. Gray, Access to Periodical Resources: A National Plan, Washington, D.C.: Association of Research Libraries, 1974.

   Based upon results of the first ARL study, three subsequent studies looked at means for improving the interlibrary loan system. This study developed and evaluated three alternatives for a national periodical system. A single national periodicals center with a comprehensive dedicated collection was recommended.

Palmour, Vernone E., Marcia C. Bellassai, and Nancy K. Roderer, Resources and Bibliographic Support for a Nationwide Library Program, Washington, D.C.: National Commission on Libraries and Information Science, 1974.

A nationwide library network was recommended to be comprised of three coordinated systems: a resource system to provide the needed materials, a bibliographic system designed to provide unique authoritative bibliographic descriptions and locations of materials, and a communication system to link the network components. The recommended network was hierarchical in structure with a periodical center as part of the national level.

8. King, Don W., Dennis D. McDonald, Nancy K Roderer, and Barbara L. Wood, Statistical Indicators of Scientific and Technical Communication, 1960-80, Volume 1, Rockville, Maryland: King Research, Inc., 1976.

9. National Commission on Libraries and Information Science, Task Force on a National Periodicals System, Effective Access to the Periodical Literature: A National Program, Washington, D.C. 1977.

As part of the review process by the NCLIS on the above study of a nationwide library program, representatives of the library community recommended that a national periodicals system receive first priority. The NCLIS appointed the Task Force on a National Periodicals System to prepare a plan. A three-level national periodicals system was recommended by the Task Force. Level 1 was defined as the existing and planned interlibrary loan activities at the local, state, and regional levels. This part of the total system would account for about 80 percent of the total interlibrary loan traffic. A new single comprehensive national periodicals center would be developed and function as Level 2 in the system. Institutions owning strong unique collections of periodicals would be contracted with to serve as back-up collections at Level 3. The national periodicals center would contain a comprehensive dedicated collection of titles. The Library of Congress was recommended as the manager and operator of the center.

10. Palmour, Vernon E., Marcia C. Bellassai and Robert R. V. Wiederkehr, Costs of Owning, Borrowing, and Disposing of Periodical Publications, Arlington, Virginia: Public Research Institute, 1977.

11. Council on Library Resources, Inc., A National Periodicals Center: Technical Development Plan, Washington, D.C., 1978.

At the request of the Library of Congress, the Council on Library Resources prepared a detailed technical development plan for a national periodicals center. The published plan calls for an initial collection of 36,000 titles to be housed in a warehouse facility. Back files of titles would be added also. All subject areas would be included with the inital exception of clinical medicine. A finding tool would be made available identifying the titles and holdings to which the center could provide access. This tool would eventually contain the titles available from a system of referral libraries as well as those from the center. The center would act, when appropriate, as a distribution agent for publishers. The plan includes details on access to the center, collection development, delivery, preservation, bibliographic control, technical processing, site considerations, and management.

12. Machlup, Fritz, and Ken Leeson, Information Through the Printed Word, New York, New York: Praeger Publishing. 1978.

13. Kent, Allen et al., *A Cost-Benefit Model of Some Critical Library Operations in Terms of Use of Materials*, Pittsburgh, Pennsylvania: University of Pittsburgh, Communications Program, 1978.

14. The National Enquiry, *Scholarly Communications: A Report of the National Enquiry*, Baltimore, Maryland: Johns Hopkins Press. (Due for publication in 1979.)

ASSOCIATION OF RESEARCH LIBRARIES

MEMBERSHIP LIST

University of Alabama Libraries

University of Alberta Library

University of Arizona Library

Arizona State University Library

Boston Public Library

Boston University Library

Brigham Young University Library

University of British Columbia Library

Brown University Library

Univ.of California Library, Berkeley

Univ.of California Library, Davis

Univ.of California Library, Los Angeles

Univ.of California Library, Riverside

Univ.of California, San Diego

Univ.of California, Santa Barbara

Case Western Reserve Univ. Libraries

Center for Research Libraries

University of Chicago Library

University of Cincinnati Libraries

University of Colorado Library

Colorado State University Library

Columbia University Libraries

University of Connecticut Library

Cornell University Libraries

Dartmouth College Libraries

Duke University Libraries

Emory University Library

University of Florida Libraries

Florida State University Library

Georgetown University Library

University of Georgia Libraries

University of Guelph Library

Harvard University Library

University of Hawaii Library

University of Houston Libraries

Howard University Libraries

University of Illinois Library

Indiana University Libraries

University of Iowa Libraries

Iowa State University Library

John Crerar Library

Johns Hopkins University Library

Joint University Libraries

University of Kansas Library

University of Kentucky Libraries

Kent State University Libraries

Library of Congress
Linda Hall Library
Louisiana State University Library
McGill University Library
McMaster University Library
University of Maryland Library
University of Massachusetts Libraries
Massachusetts Inst. of Technology Librs.
University of Miami Library
University of Michigan Library
Michigan State University Library
University of Minnesota Libraries
University of Missouri Library
National Agricultural Library
National Library of Canada
National Library of Medicine
University of Nebraska Libraries
The Newberry Library
The University of New Mexico
New York Public Library
New York State Library
New York University Libraries
University of North Carolina Libraries
Northwestern University Libraries
University of Notre Dame Libraries
Ohio State University Libraries
University of Oklahoma Library
Oklahoma State University Library
University of Oregon Library
University of Pennsylvania Libraries
Pennsylvania State University Library
University of Pittsburgh Libraries
Princeton University Library
Purdue University Library
Queen's University
Rice University Library
University of Rochester Libraries
Rutgers University Library
Smithsonian Institution Libraries
University of South Carolina Libraries
Univ. of Southern California Library
Southern Illinois University Library
Stanford University Libraries
State University of New York at Albany Libraries
State University of New York at Buffalo Libraries

State Univ. of New York at Stony Brook Library

Syracuse University Libraries

Temple University Library

University of Tennessee Libraries

University of Texas Libraries

Texas A&M University Library

University of Toronto Libraries

Tulane University Library

University of Utah Libraries

Virginia Polytechnic Inst. and State Univ.

University of Virginia Libraries

University of Washington Library

Washington State University Library

Washington University Libraries

Wayne State University Libraries

University of Western Ontario Libraries

University of Wisconsin Libraries

Yale University Libraries

York University Library

Senator PELL. Thank you very much.

Next we will hear from Mr. Hoopes.

Mr. HOOPES. Thank you, Mr. Chairman. My name is Townsend Hoopes. I am president of the Association of American Publishers, which is the general association of book publishers in this country.

Our 330-member publishing houses produce about 85 percent of the books published in the United States. We have a longer statement for the record, Mr. Chairman, the key points of which I will summarize here. All points relate to title II of the bill before you.

PART A (COLLEGE LIBRARY RESOURCES) OF TITLE II

First, Mr. Chairman, with respect to part A of title II, which deals with college library resources, the fiscal year 1980 appropriation for Labor and HEW, now in conference, cuts the funding for this activity to $4.9 million, or about half of the $9.9 million which has been provided each year since 1974. This cut is based on administration and congressional objections to the fact that the II-A funds are now distributed evenly to all colleges, regardless of their relative needs or resources.

In our view, part A should be amended, so that only those college libraries in genuine need would receive appropriated funds.

The text of a proposed amendment to accomplish this is appended to our statement.

In addition, we believe the title II-A basic grants ceiling should be increased from $5,000 to $10,000. This would provide Congress with the incentive to increase the level of appropriations, which could then be allocated to those colleges truly in need of strengthened library resources.

PART C (STRENGTHENING RESEARCH LIBRARY RESOURCES) OF TITLE II

We urge the extension of Part C, which relates to strengthening research library resources. Congress restricted eligibility for these funds to major research libraries, but as the legislative history makes clear, these large libraries share their resources with thousands of smaller libraries, through a growing system of inter-library lending. Thus, title II-C funds are not used for the exclusive benefit of a few, but in fact, contribute directly and beneficially to the wider community of research.

PART D (NATIONAL PERIODICAL CENTER) OF TITLE II

Although the principal legislation before you this morning does not include a part D of title II, the inclusion of this part in the House version of the Higher Education Bill means, at the least, that the Senate must face this issue in conference.

We understand your committee may hold further hearings on the subject of a National Periodical Center. We think such hearings would be highly desirable given the complexity of the subject and the fact that no hearings were held in the House. We would like to testify in greater detail at that time.

Today, we offer a few basic comments.

Our members publish about 2,000 scientific, technical and scholarly journals which are among those in greatest demand by the research community. Our members are therefore understandably anxious to know how a National Periodical Center would affect subscription sales, copyright protection and copying fees.

Our position is one of support for the concept of a National Periodical Center if the library community really wants it, and if four basic conditions are met.

These conditions are: Protection of copyright, voluntary participation by journal publishers, use of existing resources, and full recovery of copying fees from users.

The House version of the bill adequately meets our first condition. Amendments are needed to meet the other three.

PARTICIPATION IN NPC SHOULD BE VOLUNTARY

The second condition is voluntary participation by publishers. The National Periodical Center should recognize the right of each copyright owner to control the use of its copyrighted works. Such recognition would preclude any form of what is called compulsory licensing, meaning the legal authorization to reproduce a work without the copyright owner's permission.

To accomplish this, we suggest that section 243(b)(1) be amended by adding the clause, "* * * with the consent of the copyright owners."

EXISTING COLLECTIONS SHOULD NOT BE DUPLICATED BY NPC

Where dedicated collections of periodical literature are now established for the purpose of providing libraries with access to these materials, such collections should be used by the NPC in filling requests. The National Periodical Center's own collection should be built only to the extent necessary to meet the need for access which is not now being or will not foreseeably be met by existing resources.

FULL RECOVERY OF COPYRIGHT ROYALTY FROM USERS

The fourth condition is full recovery of copying fee from users. A National Periodical Center would, by definition, supply library users with reproductions of articles on demand. However, if all or most of the cost of obtaining these reproductions were absorbed by the NPC, then a requesting library could obtain the equivalent of an entire journal issue for less than the cost of the subscription price. The net result would be that users would have an incentive to cancel all subscriptions and to seek to obtain all required journal articles through the NPC.

To avoid this consequence, section 243(b)(3) should be amended to insure that the full copying fee is charged to the requesting library. The requesting library could pass on these costs to the ultimate user, or could absorb them, but the law should not permit the NPC to absorb the costs, as this would create a Government subsidy that would effectively drive journal publishers out of business.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Hoopes follows:]

Association of American Publishers, Inc.

aap

1707 L Street, N.W.
Suite 480
Washington, D.C. 20036
Telephone 202 293-2585

TESTIMONY OF THE ASSOCIATION OF AMERICAN PUBLISHERS
by Townsend Hoopes, President*

Subcommittee on Education, Arts & Humanities
Committee on Labor and Human Resources
United States Senate
October 4, 1979

The Association of American Publishers (AAP) is the general association of book publishers in the United States. It comprises the Genreal Publishing Division, Direct Marketing/Book Club Division, Technical, Scientific and Medical Division, International Division, College Division, Mass Paperback Division, and School Division. Our 330 member publishing houses produce the vast majority of general trade, educational, reference, professional and religious books published in this country. AAP members publish 80% of the instructional materials used in the nation's classrooms. In addition, AAP members publish more than 2,000 different scientific, technical and scholarly journals.

Our testimony this morning is confined to Title II of the Higher Education Act. We will be submitting our views on other portions of the act in a separate statement.

Part A (College Library Resources) of Title II

The Higher Education Act, as originally enacted in 1965, included a provision for college library resources. At the time, the Senate committee report noted that "although the Nation contains some of the finest university libraries, the number of inadequate college and university libraries is overwhelming." While Title II-A has been funded in the total amount of $187.6 million (FY 1966-79), the need persists. The "National Inventory of Library Needs - 1975", published by the National Commission on Libraries and Information Science less than two years ago, noted that almost two-thirds of college and university students are served by inadequate libraries. Another generation of students should not be shortchanged because our college libraries have been unable to stay abreast of the knowledge explosion.

The current FY 1980 Labor-HEW Appropriations Bill (HR 4389), now pending in conference, cuts the Title II-A apprpriation in half from the previous year, to a level of $4.988 million. This cut is based on Administration and Congressional objections to the fact that II-A funds are now distributed evenly to all colleges, regardless of their relative need or resources. A remedy for this situation requires a change in statutory language.

There is too great a difference between the have and have-not schools in library resources. According to the latest NCES statistics, Harvard had 9,547,576 books in its library in the fall of 1977 and a full-time equivalent professional staff of 249.5. Moreover, it added 191,878 volumes during the year. It ranked first in the nation. Similarly, the University of California at Davis, with a full-time equivalent professional staff of 66.4 had only a fraction of Harvard's collection (1,381,780 books) and added only 71,197 volumes during 1977. It ranked 50th. The great majority of post-secondary institutions ranked well below the University of California at Davis level, and possessed inadequate resources to purchase needed books and periodicals.

The AAP therefore urges that Part A of Title II be amended so that only libraries in genuine need of government support would receive college library funds; under present law each school, regardless of need, receives the same amount. Suggested language is appended (Attachment A).

In addition, we believe the II-A basic grant ceiling should be increased from $5,000 to $10,000, and the provision for Supplemental Grants (Sec. 203) should be deleted as it no longer serves a useful purpose. These changes would provide Congress with an incentive to increase the level of appropriations, which could then be directed to those colleges that are truly in need of strengthened library resources.

---

*Mr. Hoopes is accompanied by Ms. Carol A. Risher, Staff Director - Copyright for the Association of American Publishers

We urge also a strengthened maintenance of effort provision, consistent with Sec. 431A of the General Education Provisions Act, as amended by Sec. 1249 of the Education Amendments of 1978 (PL 95-561).

We also urge extension of Part A. A strong argument for extension is found in the committee report on the previous extension of Title II-A authority. This merits quoting:

> Modern college instruction places great emphasis upon the students getting their information and knowledge, not so much from textbooks and formal lectures, but from a wide array of library materials and media. Honors programs and independent study activities place special emphasis on library materials and sources. The need of college faculty for good libraries -- to prepare classroom lectures, conduct research for publication, and carry out related responsibilities is also much greater than in the past. College faculty and students cannot reap the fruits of the "information explosion" unless the information is readily available to them. These conditions all make it imperative that every institution of higher education has an adequately stocked, competently staffed, and sufficiently financed library.

This admonition is no less true today. With record enrollments in many schools, a broader range of courses, ever-expanding frontiers of knowledge which quickly outdate current references, and the burden of inflation, the need for Title II-A is greater than ever. Institutions of higher education, increasingly hard pressed for funds and limited as to how much they might increase tuition charges, find their libraries falling short of student demand and below desirable academic standards. Once behind, it is both difficult and expensive to catch up, difficult not only for the library and faculty but also for the student generation deprived of adequate library resources.

Part C (Strengthening Research Library Resources) of Title II

We urge extension of Part C.

Institutions of higher education, public libraries, state libraries and private nonprofit independent research libraries receive funds under this program if they serve as major research libraries. The Congress, contemplating limited funds, restricted eligibility to major research libraries but, as the committee report emphasized, the American research libraries share their resources with thousands of smaller libraries through a growing system of interlibrary lending. Thus, Title II-C funds are not used for the exclusive benefit of a few, but directly serve the wider community of research.

A forceful argument for II-C was well put by the Carnegie Council on Policy Studies in Higher Education:

> The case for some degree of federal government support of large research libraries is precisely parallel to the case for federal government support of research and graduate education. States cannot capture all the benefits from their support of large research libraries, and this may explain why public university libraries have been particularly hard hit by cuts in state appropriations in terms of constant dollars in recent years.

A further -- and persuasive -- reason for extending II-C at this time is contained in the law itself where, in the Congressional findings (Sec. 231(a)(3), it is stated:

> the expansion of the scope of educational research programs and the rapid increase in the worldwide production of recorded knowledge have placed unprecedented demands upon major research libraries, requiring programs and services that strain the capabilities of cooperative action and are beyond the financial competence of individual or collective library budgets.

It has been said that the capacity for human knowledge is infinite. While this is fine philosophy, we must acknowledge that the human capacity for knowledge is finite. We should seek to expand those limits. Extending Part C would serve just such a purpose.

Part D (National Periodical Center) of Title II

Although the principal legislation before the committee does not include Part D of Title II, which would establish a National Periodical Center, and although we understand that the committee may hold further hearings on the subject after the White House Library Conference has had a chance to explore the issue, we would like to offer a few thoughts on the topic today. This is because inclusion of Part D in the House bill means that the Senate must face the issue of a National Periodical Center during conference.

We do think the complexity of the issues warrants more extensive hearings on the subject. AAP would like to testify at that time, and to provide whatever further information may be necessary to enable the committee to reach sound conclusions. Here are a few basic thoughts on the proposed creation of a National Periodical Center (NPC).

Background

Publishers of 2,000 scientific, technical and scholarly journals, whom we represent, are very sensitive to the prospective creation of an NPC because it is these journals which are in greatest demand by the research community. The net-lending libraries are constantly being asked to provide copies of articles from these journals for users. Journal publishers are therefore understandably anxious to know how an NPC would affect their subscription sales, their copyrights, and their copying fees.

We have closely followed the development of the NPC idea since its inception, and we have cooperated fully and actively with NCLIS in a series of discussions, workshops and the actual drafting of a bill to create an NPC.

AAP Position

The AAP position is that we support the concept of a National Periodical Center if the library community agrees that it is necessary and if the following conditions are met: (1) protection of copyright, (2) voluntary participation by journal publishers, (3) use of existing resources, and (4) full cost recovery of copyright fees from users.

Some of these conditions are adequately met by language in the House bill; some are not.

(1) Protection of Copyright.

The AAP position is that copyright fees as set by copyright holders must be paid for from the very first copy of copyrighted material supplied either by an NPC or through an NPC on a referral to another source. This condition is adequately met by Section 243 (b)(3) of the House bill, H.R. 5192 as amended in Subcommittee and the newly introduced S. 1841.

(2) Voluntary Participation by Journal Publishers.

A National Periodical Center should recognize the right of each copyright owner to control use of its copyrighted works. This recognition would preclude any form of "compulsory licensing" -- i.e., reproduction of the copyrighted work without permission. The House version of the bill makes no mention of this voluntary aspect of the system. To accomplish this, we suggest that section 243 (b)(1) be amended to read: "to acquire current and retrospective periodicals, and to preserve and maintain a dedicated collection of such documents with the consent of the copyright owners; (new language underscored.)"

(3) Use of Existing Resources.

Where dedicated collections of periodical literature are now established for the purpose of giving libraries access to these materials, such collections should be used. The National Periodical Center collection should be built only to the extent necessary to meet the need for access to periodicals which is not now being, and will not foreseeably be, met by existing resources. In other words, any National Periodical Center should have as its highest priority the coordination of existing resources, avoiding unnecessary duplication of expense and effort.

To accomplish this, we suggest inclusion in Section 241 language to insure that the National Periodical Center will complement and augment local, state, regional and other periodical sources. Further we suggest that the legislative history encourage contracts and cooperative agreements between the Center and other public and private sources, along the lines of authorizing language set forth in Section 243(b)(5) and 247(a)(1).

(4) Full Recovery of Copyright Fee from Users.

A National Periodical Center would by definition supply library users with reproductions of articles on demand. If the cost of obtaining these reproductions is absorbed by the NPC, then a requesting library could obtain the equivalent of an entire journal issue for less then the direct cost of the subscription price. The net result would be that users would have an incentive to cancel all subscriptions and seek to obtain all required journal articles through the NPC.

To avoid this consequence, Section 243(b)(3) should be amended to insure that the full copyright fee is charged completely to the requesting library. The requesting library could pass on this cost to the user or could absorb it, but the law should not permit the NPC to absorb this cost, as this would create a government subsidy that would effectively drive journal publishers out of business.

Summary

If the library community agrees that a National Periodical Center is necessary, and if the AAP's four conditions are met by the legislation, then AAP will endorse the creation, and will support all efforts to accomplish this end.

ATTACHMENT A

Sec. 203 of the Higher Education Act is amended to read as follows:

"Sec. 203. The Secretary shall make grants under this part only where the financial resources of the institution are such that it is in need of assistance for library resources. In determining the need for such assistance, the Secretary shall consider (1) the size and quality of the library resources of the applicant in relation to its present enrollment and any expected increase in its enrollment; (2) any special circumstances which are impeding or will impede the proper development of its library resources; and (3) how a grant would be used to improve the size or quality of its library resources."

Senator **Pell**. Thank you very much; very interesting. Next we will hear from Mr. Benton. Mr. Benton?

Mr. **Benton**. Mr. Chairman, my name is Charles Benton. Last October 12, I was appointed by President Carter as Chairman of the National Commission on Libraries and Information Science, and also Chairman of the White House Conference on Library and Information Services, for which you played such a vital role in introducing and obtaining support. We are enormously grateful.

The Commission is a permanent, independent Federal agency for research and planning for libraries and information science.

Mr. Chairman, as a participant in the establishment of the Commission, you are well aware of our responsibilities to advise the Congress and the administration on matters of library and information services, especially where legislation is involved.

As you know, your White House Conference on Library and Information Services will start just 6 weeks from today, and we are looking forward to the testimony on library and information service problems and their possible legislative implications at the joint Senate-House hearing that you will be cochairing on the last day of the conference. And again, we are most grateful for your active participation in this process.

On behalf of NCLIS and the groups that we have been working with, we would like to thank you, Mr. Chairman, your colleagues, Senator Stafford, and others, for this opportunity to testify on the extension and the amendment of title II of the Higher Education Act.

First of all, with regard to parts A, B, and C of title II the Commission wishes to fully support the extension and strengthening of the library support programs they represent, and that you have heard a great deal of support for this morning in these discussions.

We are submitting a written statement on all parts of title II for the record. If I may, I would like to concentrate my remarks here on the incredible process that we have been at the center of in evolving a policy for a National Periodical Center.

The periodicals area has been one of great concern to the library community for over 10 years now and the Commission for some 5 years. The Commission established the periodicals area as one of its top priorities for national information resource development in 1974. During the period of 1975–79, the Commission has been at the center of a 5-year issue and policy clarification process with regards to a national periodical system, involving first NCLIS' task force, more recently, an advisory committee, and a legislative drafting team, all concerned with forging a balanced legislative approach to the periodicals problem.

We have also sponsored or otherwise encouraged a variety of studies of the problem. In the course of this process, two important things have happened. First, a group of parties concerned and involved in the policy-forming dialog has become broader. At first, only research librarians were mainly concerned. This soon broadened out to include public, State, and other librarians, and then the publishing community. The process also broadened out to include representatives of the information industry, including electronic and data-based publishers. You are hearing from these various groups today.

We have also held an open forum discussion of the National Periodicals Center topic in May of 1979, and a summary of the proceedings of that forum has already been submitted for the record by the Association of Research Libraries.

Second, the concept of what an NPC should consist of has continued to evolve and is still evolving as a result of continuing study and as a result of interaction and give and take among the broad groups of concerned parties. The NPC concept started off as a library's library, a centralized facility using paper and the mails. Now there is a growing agreement that it should be decentralized and based increasingly on an electronic access network linking periodicals information and resources wherever they are.

In the library world or in the private sector with a dedicated backup collection, this approach would provide a document delivery system to libraries that would evolve with new technology and that would contribute to the preservation of periodical literature. This last approach—the one we now favor—is that intended in our July 19 draft legislation prepared by our legislative drafting team, which included participants of all of the groups, and adopted by our NPC advisory committee, which also includes representatives of these groups. We are submitting this draft legislation for the record, along with a statement of the legislative intent prepared by the drafting team.

We point out that this draft contains certain provisions important to the parts of the private sector that are not in part D of the House-discussed amendment.

The Commission recently sponsored a study by the Arthur D. Little Co. on various ways a National Periodicals Center could be set up. One of the approaches they analyzed, called system C, reflects the access network approach to the National Periodicals Center most favored by the parties who have worked so long and hard together on this problem.

That report—and this is a fresh report, today, from Arthur D. Little, and this is the first time it has been made public—is being submitted to the committee and provides significant new background.

At our fall meeting in Denver last month, the Commission voted to support the establishment of a National Periodicals Center with the following two resolutions: One, in essence, NCLIS reaffirms its support of a National Periodicals Center, and two, NCLIS requests this opportunity to testify at the Senate hearings and that our testimony here reflect both the essence of the July 19 draft legislative recommendation and the implications described in the system C section of the Arthur D. Little report, which is really new information, new input, and a very, very interesting study—one of the most interesting and provocative that we have supported in the many years of our supporting studies.

I would like to conclude with these brief comments. Process of the study, clarification, and agreement of the exact form of an NPC needs to go on. The system C approach needs to be detailed out throughout a design study. Major stakeholders need to come to further mutual understanding and agreement as to just what this approach should be. What, in fact, is the national periodicals system we are talking about, and what is the role of the center in that system, precisely? We in the Commission intend, in the coming months, to continue to study the design, to encourage the interaction of the concerned parties, to obtain more significant input on the NPC issue in the course of the coming White House Conference on Library and Information Services and to develop better understanding of how the NPC can best be structured to serve America in an information age.

We see this kind of involvement to be a prime role of the Commission, creating an arena for stakeholders to deal with complex information policy problems, and the NPC is only one of the first of these that will have to be faced in the coming years.

Finally, we welcome the decision of the committee to hold later hearings and are looking forward to participating in those in early 1980 on the NPC, and hopefully also other important legislative proposals that will result from our White House Conference.

Thank you very much, Mr. Chairman. In view of the time constraints, I hope the Chair will permit me to extend my presentation today by submitting additional documentation.

Senator **Pell**. All remarks can be extended and revised, and the record will stay open for that purpose.

Mr. **Benton**. We would like to insert the following three documents: (1) The NPC; a Statement of Rationale (attachment A); (2) Basic Provisions of Legislation for the Establishment of a National Periodicals Center (attachment B); and (3) NCLIS Legislative Proposal Revised (attachment C).

[The prepared statement of Mr. Benton and the information referred to follows:]

STATEMENT OF
CHARLES BENTON
CHAIRMAN
NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE
BEFORE THE
SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES
COMMITTEE ON LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

October 4, 1979

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

CHARLES BENTON - Biographical Data

PERSONAL:

Born:	February 13, 1931, New York
Married:	Marjorie Craig, 1953
Children:	Adrianne, 1955; Craig, 1957; Scott, 1958
Residence:	585 Ingleside Place, Evanston, Illinois 60201

EDUCATION:

Deerfield Academy, 1949
Yale University, 1953, B.A.
Graduate Studies at Northwestern University and National College of Education

PROFESSIONAL EXPERIENCE:

1953 - 1966	Encyclopaedia Britannica Films, Inc. (Producer and distributor of educational audio-visual materials)
1953 - 1955	Assistant in Production, then Producer
1955 - 1958	Administrative Assistant in Market Research
1958 - 1959	Teacher: Leave of absence to teach 5th grade Washington Elementary School, Evanston, Illinois
1959 - 1960	Administrative Assistant for Films, Inc. (Distributors of 16mm feature films, subsidiary of Encyclopaedia Britannica Films)
1960 - 1962	Illinois District Manager for EB Films and Films, Inc.
1962 - 1964	Vice President of Marketing
1964 - 1966	President, Encyclopaedia Britannica Films, Inc.
1966 - 1967	President, Encyclopaedia Britannica Educational Corporation
1967 - 1969	President, Fund for Media Research
1968 -	President, Public Media Inc.
1968 - 1977	President, Films Incorporated
1977 -	Chairman and Chief Executive Officer, Films Incorporated

CIVIC ACTIVITIES:

Trustee	The American Assembly
Trustee	American Federation of Arts
President	The William Benton Foundation
Trustee	Chicago Educational Television Association (WTTW-WFMT)
V.P.	Cinema Chicago
Trustee	University of Chicago
Board	Eisenhower Exchange Fellowship
Board	National Citizens Committee for Broadcasting
Board	Visual Education Center, Toronto
Board	Donor's Forum
Advisory Board	Action for Children's Television
Advisory Board	Citizen's Exchange Corps
Board of Visitors	University of California, Los Angeles
Member, Emeritus	Board of Trustees, Broadcasting Foundation of America

CLUBS:

Arts Club of Chicago
Metropolitan Club of Washington, D.C.
The River Club of New York City

National Commission
on Libraries and Information Science

Mr. Chairman and Members of the Committee,

Good morning. My name is Charles Benton. I am Chairman of the National Commission on Libraries and Information Science--a permanent, independent Federal agency. Mr. Chairman, as a participant in the establishment of the Commission, you are well aware of our responsibility to advise the Congress and the Administration on matters of library and information services, especially where legislation is involved. As you know, your White House Conference on Library and Information Services will start in just six weeks from today, and we are looking forward to the testimony on library and information service problems and their possible legislative implications at the Joint Senate-House hearing you will be co-chairing on the last day of the Conference.

For today's hearing, I will briefly summarize the Commission's position on Title II, Part A, B, and C, as well as make some recommendations for the possible addition of a new part to the Higher Education Act, Title II.

All three existing parts of HEA, Title II, are important to the strengthening and improvement of not only college and university libraries but all cooperative library services. Of special importance is Part B. One major weakness in current library legislation is the lack of a major commitment by the Federal Government to research in library and information services.

In the past, Part B has provided very modest funds to support training and research. Unfortunately, both the Administration and the Congress, for fiscal year 1980, have reduced the availability of research funds to $300,000; less than one-third of the funds provided in the fiscal year that just ended. In today's world of new technology breakthrough, and increasing needs and demands by people in this complex information society, the necessity of a continuing library and information service research program is basic. There is research money for science, medicine, the arts, the humanities, education, etc., but little or no funds for research in libraries and information services. One of the major recommendations of our predecessor agency--the National Advisory Commission on Libraries--called for the establishment of a Federal Institute of Library and Information Science as a principle center for basic and applied research. That has yet to become a reality. Meanwhile, Part B of HEA has provided some funds. The Commission urges the Committee to not only increase the funding level but to strengthen the provisions for special purpose grants.

Another portion of Part B--Library Career Training--represents a program that has provided major training opportunities for minority librarians. There is still a tremendous shortage of Hispanic, Native American, and Black librarians. In addition, the emphasis in the retraining of librarians in social out-reach activities, technology, micrographics, telecommunications, etc., must be continued.

1717 K STREET NW SUITE 601 · WASHINGTON DC 20036

For the Commission's goal of the development of a national network of library and information services to become a reality, our first objective in our national program, Toward a National Program for Library and Information Services: Goals for Action, of ensuring basic minimums of library and information services to meet the needs of all local communities must be achieved. Part A of Title II of HEA is one step in this direction. For college libraries to be full partners in a national network, they must expand and strengthen their resources--both print and nonprint. Part A provides some much needed financial assistance to the acquisitions budget of colleges and universities. We strongly recommend that Part A be amended to increase the maximum amount of a resource development grant that any individual institution may receive. However, we also recommend that institutions which receive any Part C or Part B research or special purpose grant funds be excluded from eligibility. We also urge that appropriate criteria of need be developed so minority institutions and small colleges will receive priority consideration.

Title II, Part C--Strengthening Research Libraries--which is only in its second year of operation is already proving the wisdom of its addition to the Higher Education Act. A national library and information network is not only dependent on strong local libraries but must be supported by the library material collections of our great research libraries.

Research libraries have been especially hard hit by inflation. Federal incentives are needed in support of the major research libraries if they are to assume the role of "nodes" in a nationwide library and information services network. During 1977-78 (academic year), 94 university libraries (members of the Association of Research Libraries) spent $147 million for books, journals, and other library materials. That reflected a 10.7 percent increase spending over the previous year, but the number of volumes added to their collections gross only 0.3 percent, and the number of journals and other current serials only 3.5 percent.

The Commission, in its national program document, clearly spells out the importance of the research library in providing the back-up resources for a nationwide system. It emphasizes the need to assure that unique collections, such as those of the Huntington and Folger Libraries, the New York Public, Harvard, etc., not only continue to grow but are preserved so that they can serve the needs of research and scholarship in the future.

The sharing of resources which is the emphasis of HEA, Title II, Parts A and C, as well as LSCA, Title III, is difficult to achieve. Cooperation is second nature to librarians, but with limited funds they must become better managers. They must develop their collections with care and stretch their limited funds. Periodicals have been a very special problem. The tremendous growth in the number of journals and the escalating cost of subscriptions has forced many libraries to cut the number of subscriptions and to develop periodical collections in cooperation with other libraries. The Commission and the library community has studied the problem of access to periodical literature for over five years. The solution to this problem has been difficult and controversial. The NCLIS, in fulfilling its role as a mediator and a catalyst, and as my predecessor, Dr. Frederick Burkhardt, was fond of saying--as an honest broker--provided leadership to the library and information service community, including both the public and private sector.

We started with studies in 1974 and 1977. These resulted in the recommendation that a National Periodicals System--a three-level system--be established, and that a National Periodicals Center serve as the middle-service level. A technical plan for implementation of the Center was then completed and its release created much discussion and controversy. To try to address the concerns of libraries and organizations in both the private and public sectors, the Commission sponsored an open forum on the problem of a National Periodicals Center. Over 170 people involved and interested in this problem attended at their own, or their institution's, expense, and after two days made a number of recommendations. The major recommendations were:

(1) That a National Periodicals Center be established as a non-governmental, not-for-profit organization;

(2) That an NPC pay royalties on all copies reproduced by the Center;

(3) That a draft legislative proposal be prepared for consideration and discussion by the major national associations and organization. This draft would be limited to a National Periodicals Center, not an agency with broader authority.

(4) That NCLIS consider investigating the costs and effectiveness of using existing components in the development of any National Periodicals System; and

(5) The possible introduction, in the fall of 1979, of legislation establishing a National Periodicals Center.

The Commission's National Periodicals System Advisory Committee acted to work toward the implementation of the recommendations. A legislative drafting team representing libraries, information scientists, publishers, and the information industry was established. After four months and four drafts, a final legislative proposal (a copy is attached for the record) was adopted by the drafting team, the Advisory Committee, and the Commission.

Over fifteen library and information service organizations have taken official action in support of the establishment of an NPC based on the essence of the final legislative proposal developed by the drafting team.

In addition to working toward a consensus in draft legislation, the Commission was anxious to have an analysis of the recommendations made in previous studies and to look at the economics involved in establishing an NPC. A. D. Little undertook the study and in its report (also attached for the record) suggested that an effective NPC should be built on existing resources, both public and private; and, further, that a dedicated collection (as defined in the draft legislation), both supplementing existing collections and providing historical and physical preservation, be developed. The legislation recommended by the Commission provides the necessary organization and provisions to develop an NPC that parallels many of the A. D. Little study suggestions.

The NCLIS, at its September meeting, after full discussion and careful consideration of the recommendations in the major studies undertaken during the last six years, and especially the A. D. Little analysis, adopted the following resolutions:

(1) NCLIS affirms its support of the concept of a National Periodicals Center/System as described in the amended July 19, 1979, final draft legislative proposal and, further, that NCLIS support the legislation to establish a National Periodicals Center, HR 5192, Title II (D) introduced in the House on September 6, 1979, and amended in the mark-up session of the House Education and Labor Committee's Subcommittee on Post-Secondary Education on September 13, 1979; and

(2) NCLIS requests the opportunity to testify at the Senate hearings scheduled for early October on the extension and amendment of the Higher Education Act, and that the NCLIS testimony recommend that the final wording of Part D of HR 5192 reflect the essence of the NCLIS Final Draft Legislative Proposal of July 19, 1979, and the implications described in the System C model in the A. D. Little study.

The Commission urges the Senate Committee to amend the Higher Education Act by adding a part which would establish a National Periodicals Center. We would hope that the Committee would consider using our legislative draft, which was developed after much compromise by all of the various stakeholders, as the basis for legislation establishing a National Periodicals Center. Part D of S. 1841 is similar but there are some differences which are important if we are to continue to maintain broad support for an NPC.

Mr. Chairman, I very much appreciate the opportunity to present our views on the extension of the Higher Education Act and on the establishment of a National Periodicals Center.

National Commission
on Libraries and Information Science

SUMMARY REPORT

National Periodicals Center, Open Forum
and
Actions of the NCLIS Advisory Committee on a National Periodicals System

Almost 200 people gathered on March 19 and 20, 1979, in Arlington, Virginia, to discuss the establishment of a National Periodicals Center. In attendance at the open forum, sponsored by the National Commission on Libraries and Information Science (NCLIS), were: 47 representatives of research libraries, 30 representatives of private for-profit organizations, 16 from regional and state organizations, 15 from associations, 12 from state and public libraries, and 12 from special libraries, with the remainder being from a variety of organizations including Federal Government, foundations, NCLIS, national networks, and library schools.

Mr. Robert R. McClarren, Director, North Suburban Library, Wheeling, Illinois, and Chairman, National Periodicals Advisory Committee to the NCLIS, presided over the opening session. Background papers reviewed the history of previous activities on a National Periodicals Center, along with the program concept and alternatives. A lively discussion period followed the opening papers. Representatives from the Association of American Publishers and the Information Industry Association read prepared statements questioning the need for a national periodicals center and voicing concern for possible lack of involvement on the part of the private sector. Other participants described the need for such a center, particularly for the nation's academic libraries.

The afternoon session presented a series of speakers discussing alternative approaches for a National Periodicals Center: the National Periodicals Center as part of an existing government agency; using existing systems as a substitute for a National Periodicals Center; using existing private for-profit sector services; the Periodicals Center as a new independent entity; the National Periodicals Center as a responsibility of a National Lending Library; and the National Periodicals Center as the responsibility of a National Library Agency.

In the evening session, the Technical Development Plan for a National Periodicals Center, prepared by the Council on Library Resources, was reviewed.

Participants were assigned at random to 10 working groups and spent the first part of the second day in their respective groups discussing specific issues. The results of the small group discussions were:

1717 K STREET, N.W. SUITE [illegible] · WASHINGTON, D.C. 20036

Should there be a National Periodicals Center?

8 of the groups were either unanimous or had a substantial majority;

1 slight majority; and

1 no stand.

What should be the scope of a National Periodicals Center?

6 groups recommended a full range of titles in terms of use (little used - heavy used);

1 mid-range of titles;

1 not clearly stated; and

2 didn't say.

Finding tool to include private sector holdings.

How should the National Periodicals Center be governed?

4 groups stated it should be an independent agency;

2 public corporation;

2 not-for-profit corporation;

2 didn't say;

8 groups recommended a board with wide representation. The agency should be able to receive both Federal and private funds.

What are the strategies for implementation of a National Periodicals Center?

6 groups recommended legislation soon;

1 recommended legislation with long review period;

1 didn't say; and

2 groups suggested further study needed.

The groups also reported a number of comments which should be noted:

Awareness of new technology is important.

Minimize government control of a National Periodicals Center.

Better bibliographic control is needed.

Make proper royalty/copyright payments on all Center transactions.

Some concern by one group on the need for a single dedicated collection.

Need to study other alternatives for a National Periodicals Center. Should investigate the costs and effectiveness of using existing components in System.

Legislation should be for a National Periodicals Center, not an agency with broader authority.

Mr. Alphonse F. Trezza, NCLIS Executive Director, summarized some of the necessary next steps based upon the recommendations by a majority of the participants that legislative action for the creation of a National Periodicals Center be undertaken.

The proposed steps were:

(1) The NCLIS Advisory Committee on a National Periodicals System, at its March 20-21 meeting, will review the recommendations of the open forum.

(2) Distribution of a report on the open forum recommendations to participants, NCLIS, and the library and information community.

(3) The establishment of a drafting team to develop a legislative proposal.

(4) Preparation of a draft legislative proposal by the end of April for distribution for May meetings of NCLIS, AAP, and ARL, and for June meetings of MLA, SLA, ALA, and COSLA for their review and possible action.

(5) Possible introduction in early fall 1979 of legislation based on the draft legislative proposal as modified by association and agency recommendations.

Dr. Thomas Galvin, Vice President-Elect of the ALA, presented the following statement:

> I have been instructed to present a brief statement on behalf of the ALA official delegation to this open forum. Those present here might be interested to know that the Executive Board considered this meeting of such importance that it authorized all 13 of its members who could attend this meeting to do so. Eight of the 13 are in attendance as ALA's official delegation.
>
> The ALA delegation at this meeting is persuaded that the concept of a National Periodicals Center is a desirable one which offers the potential for some remediation of the thus far insuperable problems of document delivery and access to periodical materials.

The ALA delegation is prepared to recommend to the ALA Executive Board and Council that ALA support the establishment of a National Periodicals Center and the early drafting of a legislative proposal for its establishment. In doing so, because of the breadth and diversity of the library community which ALA represents, we feel that the question of the NPC's collection scope is one of critical importance. We feel that enthusiastic ALA support for the NPC is most likely to be forthcoming if it is agreed that the Center shall include the most frequently used and requested periodicals.

We are also agreed that the NPC should pay royalties on all copyrighted materials copied by the Center.

On the question of governance, while some of us may feel some attachment to the idea of a National Library Board or some other national agency of broad scope, we feel that the political climate makes the acceptance of such an entity unlikely at this time. We are prepared to recommend, therefore, an independent governing body with specific responsibility for the governance of the NPC. Such a governing body must be fully representative of different types of libraries, of the publishers and producers of information, and of the broad community of users.

Whether or not legislation has been introduced prior to the White House Conference, we recommend that the establishment of a National Periodicals Center be submitted as an important item for the White House Conference agenda.

ATTACHMENT A

THE NATIONAL PERIODICALS CENTER: A STATEMENT OF RATIONALE

Prepared by Legislative Drafting Team, NCLIS
Revised July 2, 1979

The proposed legislation would establish a National Periodicals Center (NPC) from which any library or information organization in the nation could obtain for its patrons periodicals that the local library or organization could not supply from its own collection. The NPC, which would be governed by an independent board of directors, would satisfy the research, educational, and information needs of patrons by assuring more timely and reliable access to the broad range of periodicals.

Need for NPC

Full and prompt access to the body of periodical literature is important to scholars, researchers, students, and citizens. Both the number of periodicals and the costs of acquiring and maintaining significant periodical collections have increased dramatically in recent years. For example, over 50,000 periodicals of research significance are now being published. It is estimated that the annual purchase price for these periodicals is $1.5 million. In addition, the costs of maintaining these collections, i.e., providing adequate shelf space, cataloging, etc., are substantial. Further, the problems of maintaining periodical collections are compounded by the rising costs of periodical subscriptions, which in some instances have increased by 250% in the last ten years.

To alleviate these problems, libraries have looked to traditional inter-library lending programs to satisfy their patrons' research and information needs. However, this approach has proved inadequate: the volume of transactions has grown to more than six million items per year and research libraries, which tend to bear most of the burden, can no longer absorb the costs. Nor has the private sector been able to satisfy these research and information needs, since a majority of the periodicals are so infrequently used that the necessary investment cannot be justified.

As user needs expand and the costs of acquiring and maintaining a meaningful periodical collection increase, libraries must make hard decisions regarding the allocation of their limited resources. The proposed NPC would make it possible for libraries to better utilize scarce resources by eliminating the need to acquire infrequently used periodicals or duplicate copies of frequently used materials and by reducing the need to build additional storage facilities.

Proposed Legislation

The legislation would establish an independent non-governmental corporation called the National Periodicals Center Corporation. Its purpose would be to serve as a national resource by providing timely and reliable access to periodical literature.

The NPC would be authorized to acquire a periodical collection which would be used for the purpose of providing access to periodicals, by photocopy or other means, to any library in the nation. Payments would be made to copyright owners for any reproduction of documents under copyright delivered by or through the NPC. The NPC would be authorized to participate in international activities and to cooperate with the Library of Congress, the National Library of Medicine, and other libraries and organizations as may be appropriate, to maximize the number of periodicals which could be made available to authorized users.

The NPC would be governed by an independent board of directors; its day-to-day activities would be managed by an executive director. Based upon existing projections it is estimated that the initial cost of establishing and maintaining the NPC would be approximately $20 million over the first five years. It is anticipated that user fees would help to defray operating costs.

ATTACHMENT B

BASIC PROVISIONS OF LEGISLATION FOR THE ESTABLISHMENT OF A NATIONAL PERIODICALS CENTER

Prepared by Legislative Drafting, Team NCLIS
Revised July 2, 1979

What is needed:

A National Periodicals Center: a new entity established for the purpose of acquiring a collection of periodicals to be used to provide copies of periodical articles reliably and quickly by photocopy or other means. The Center would also be responsible for identifying and contracting for service with other sources of periodical materials. It would provide information on all periodicals to which it can assure access, either through its own collection or through other collections or reprint services, from not-for-profit and for-profit sources.

Specifications and Criteria:

The NPC would not be a government agency, but would be eligible to receive federal funds as well as private funds.

Policy control would be through a Board which includes people knowledgeable about the needs and interests of the government, academic and research communities, libraries, publishers, the information community, authors, and the public.

The NPC would be tax-exempt.

It would be desirable for the NPC to be entitled to use the U.S. mails in the same manner and upon the same conditions as the executive departments of the Federal government.

The NPC would assure that all fees set by copyright owners will be paid for any reproductions of documents under copyright delivered by or through the Center. (It would be specified that this shall not be considered to amend, affect or define the provisions of the Copyright Act.)

The NPC would have the power to:

- establish a principal office and such branch offices as may be necessary;
- acquire a collection of current and retrospective periodicals necessary to its purposes;
- make and fulfill contracts and other agreements with individuals or organizations;

- assure the permanent availability of materials in its collection or under its contract;
- purchase or otherwise acquire and dispose of real and personal property;
- accept money, property and services by any means.

Funding:

Based upon existing projections approximately $20 million are needed for the first five years.

Funding would be on a multi-year basis.

Funding must be assured for the future: It is essential to assure the permanent existence of the NPC collection and services.

ATTACHMENT C

NCLIS LEGISLATIVE PROPOSAL
REVISED

July 19, 1979
Amended September 7, 1979
(Page 2, Line 25)

A NATIONAL PERIODICALS CENTER CORPORATION

Prepared by the Legislative Drafting Team:

Eileen Cooke, Director, American Library Association, Washington Office

Suzanne Frankie, formerly Associate Director, Association of Research Libraries

Carol Risher, Staff Director-Copyright, Association of American Publishers

Sarah Thomson, Media Utilization Advisor, Bergen Community College, NCLIS Advisory Committee on a National Periodicals System

Barbara Turlington, Executive Assistant to the President, Association of American Universities

Ben H. Weil, Chairman, Documents Access Committee, National Federation of Abstracting and Indexing Services (NFAIS)

Robert Willard, Vice President, Government Relations, Information Industry Association, and Marlene Hurst, Manager, Publisher Relations and Product Development, Xerox Corporation, University Microfilms International, NCLIS Advisory Committee on a National Periodicals System

Gordon Williams, Director, Center for Research Libraries

James Wood, Director, Bibliographic Support Division, Chemical Abstracts Service, NCLIS Advisory Committee on a National Periodicals System

Alphonse F. Trezza, Executive Director, NCLIS

William D. Mathews, Staff Associate for Information Technology, NCLIS

Vernon E. Palmour, Staff Consultant, NCLIS

A NATIONAL PERIODICALS CENTER CORPORATION

FINDINGS

The Congress hereby finds and declares that--

(1) the provision of access to periodicals necessary to assure the adequate support of research, education, and industrial development in every community, while primarily the responsibility of libraries, publishers and other information organizations, is also an appropriate matter of national concern to the Federal government;

(2) while libraries, publishers and other information organizations and individuals can provide access from their individual collections to most of the periodicals needed by their communities, none of them can acquire the complete and comprehensive collection of periodicals that alone can satisfy their users' needs;

(3) it is therefore necessary and appropriate for the Federal government to complement and augment libraries, publishers and other information organizations by establishing and supporting a National Periodicals Center Corporation through which periodical materials may be obtained with the consent of the copyright owners.

ESTABLISHMENT

There is authorized to be established a nonprofit corporation, to be known as the "National Periodicals Center Corporation" (hereinafter referred to as the "Corporation"), which will not be an agency or establishment of the United States Government. The Corporation shall be subject to the provisions of this chapter, and, to the extent consistent with this chapter, to the laws of the jurisdiction where incorporated.

The Board of Directors first appointed shall be deemed the incorporators, and the incorporation shall be held to have been effected from the date of the first meeting of the Board. The incorporators shall take whatever actions are necessary to establish the corporation, including the filing of articles of incorporation.

PURPOSES

The purposes of the Corporation are--

(1) to provide reliable and timely document delivery from a comprehensive collection of periodical literature.

(2) to complement and augment local, state, regional and other periodical sources.

(3) to contribute to the permanent availability of periodical literature.

FUNCTIONS

In carrying out its purposes, the Corporation shall--

(1) establish a principal office, to be known as the National Periodicals Center, and such branch offices as may be necessary.

(2) assure a dedicated collection of current and retrospective periodicals as required for distribution of documents on demand by photoreproduction or other means.

(3) contract with libraries and other organigzations to provide requested documents not in the Corporation's collection.

(4) provide information on periodicals to which the Corporation can insure access, including those available from private-sector sources.

(5) assure that all fees set by the copyright owners will be paid for any reproduction of a document under copyright delivered by or through the Corporation.

(6) assure the permanent availability of materials in its collection or under its contracts.

(7) coordinate the training of librarians and other users in the use of the Corporation's services.

(8) cooperate with and encourage national and international efforts to improve bibliographic and physical access to periodicals.

(9) work with appropriate organizations to develop standards relevant to the purposes of the Corporation.

POWERS

The Corporation in order to carry out the foregoing purposes--

(1) may adopt, amend, and repeal bylaws, rules, and regulations as it deems necessary governing the manner of its operation, the conduct of its business and its organization and personnel;

(2) may make and perform contracts and other agreements with any individual, corporation, or other body of persons however designated whether within or without the United States of America, and with any government or governmental agency, domestic or foreign;

(3) may accept money, funds property, and services of every kind by gift, devise, bequest, or otherwise;

(4) may acquire by purchase, devise, bequest, or gift, or otherwise lease, hold, and improve, such real and personal property as it finds to be necessary to its purposes, whether within or without the United States, and in any manner consistent with its purposes dispose of all such real and personal property held by it and use as general funds all receipts arising from the disposition of such property;

(5) shall have the power to set fees to recover at least the costs of order fulfillment, document delivery, and copyright payments;

(6) shall be entitled to the use of the United States mails in the same manner and upon the same conditions as the executive departments of the Federal government;

(7) may, with the consent of any board, corporation, commission, independent establishment, or executive department of the Government, including any field service thereof, avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions chapter;

(8) may hire or accept the voluntary services of consultants, contractors, experts, advisory boards, and panels and may conduct hearings to aid the Corporation in carrying out

the purposes of this chapter, and provide transportation and subsistence for persons serving without compensation;

(9) may conduct directly or through grants, interagency agreements, or contracts research, demonstrations, or training in matters related to corporation purposes;

(10) may sue and be sued, complain and defend, in its corporate name in any court of competent jurisdiction;

(11) shall be exempt from taxation now or hereafter imposed by the United States, or any territory, or possession thereof, or by any State, county, muncipality, or local taxing authority;

(12) shall have no power to issue any shares of stock, or to declare or pay any dividends, and no part of the income or assets of the Corporation shall inure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services, nor shall any director, officer, or employee in any manner, directly or indirectly, participate in the deliberation

upon or the determination of any question affecting his personal interests;

(13) shall have such other powers as may be necessary and incident to carrying out its powers and duties under this chapter.

GOVERNANCE

The Corporation shall have a Board of Directors (hereinafter referred to as the Board), consisting of 15 members, including the Executive Director of the National Periodicals Center, Ex Officio. The Board shall be representative of the needs and interests of the government, academic and research communities, libraries, publishers, the information community, authors, and the public. In their capacities as board members, individuals will represent the interests of the Corporation and not constituent interests.

Fourteen members of the Board shall be appointed by the President. After the Board has been established the Board shall provide the President with a list of three nominees for each existing or prospective vacancy on the Board.

The term of office for each member of the Board shall be six years except that: (a) any member appointed to fill a vacancy occurring appointed shall be appointed for the remainder of such term; and (b) the terms of office of members first taking office shall begin on the date of incorporation and shall expire as designated at the time of their appointment, four at the end of two years, five at the end of four years, and five at the end of six years. Upon expiration of a term, Board members shall continue to serve until a replacement has been appointed.

No appointed member shall be eligible to serve for more than two consecutive terms.

The Board shall annually elect one of its members to serve as Chairman.

The Executive Director of the National Periodicals Center shall be appointed by the Board and shall serve at the pleasure of the Board.

Members of the Board shall be reimbursed at a daily rate plus travel expenses while attending meetings or conferences of the Board or otherwise engaged in the business of the Board.

REPORT TO CONGRESS

The Corporation shall submit an annual report for the preceding fiscal year ending September 30 to the President and the Congress on or before the 30th day of April of each year. The report shall include a comprehensive and detailed report of the Corporation's operations, activities, financial condition, and accomplishments under this chapter and may include such recommendations as the Corporation deems appropriate.

The officers and directors of the Corporation shall be available to testify before appropriate committees of the Congress with respect to such report, the report of any audit made by the Comptroller General pursuant to this chapter, or any other matter which any such committee may determine.

RECORDS AND AUDIT

The accounts of the Corporation shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Corporation and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents and custodians shall be afforded to such person or persons.

COPYRIGHT ACT

Nothing in this chapter shall be considered to amend, affect, or define the provisions of the Copyright Act, Title 17, U.S. Code.

AUTHORIZATION OF APPROPRIATIONS

There are authorized to be appropriated such sums as are sufficient for carrying out the purposes of this chapter.

DEFINITIONS

ACCESS - The ability to identify, locate, and obtain a specific item (generally a periodical article). Encompasses bibliographic access and physical access to materials.

Bibliographic Access - The ability to identify a specific item from a description of it.

Physical Access - The ability to obtain the text of an item in an appropriate form (e.g., visual, audio printed formats).

COMPREHENSIVE COLLECTION - A collection of periodical titles which will provide access to approximately 90% of the requests received by the NPC. These titles need not all be physically located in the same place.

COPYRIGHT OWNER - The owner of any one of the exclusive rights comprised in a copyright; as regards the NPC, the right to authorize the reproduction of periodical literature.

DEDICATED COLLECTION - A collection of periodicals maintained for the sole purpose of assuring the provision of permanent physical access.

DOCUMENTS - Portions or entire issues of periodicals.

DOCUMENT DELIVERY - The provision of physical access to documents by any means.

NATIONAL - Nationwide.

PERIODICAL - A publication consisting of issues in a continuous series under the same title published at regular or irregular intervals, over an indefinite period, individual issues in the series being numbered consecutively or each issue being dated.

PRIVATE SECTOR - Non-governmental, includes both not-for-profit and for-profit organizations.

EXPLANATION OF INTENT PERTAINING TO DRAFT LEGISLATION FOR A NATIONAL PERIODICALS CENTER

Prepared by Legislative Drafting Team, NCLIS

*Page 1, lines 3-8. This paragraph should not be construed to imply a requirement for compulsory licensing of periodical titles under copyright serviced by or through the NPC. Rather, the Corporation will work with copyright owners in developing voluntary contractual agreements specifying the terms and conditions for use of materials based on the mutual interests of the public and private sectors. Further, a basic premise upon which the legislation was drafted was that the public interest could best be served by an NPC only if the public and private sector communities act in partnership to provide the services and functions envisioned for the National Periodicals Center.

Page 3, lines 11-13. In addition to libraries, other organizations including publishing firms and others in the private sector, may serve as sources for periodicals not included in the central NPC collection. In all cases such organizations must comply with performance standards set by the Corporation (e.g. response time, continuity).

Page 3, lines 15-17. The intention here is to indicate the importance of the NPC developing or using appropriate "finding tools" which would provide bibliographic and location information for periodicals to be provided by or through the NPC. These "tools" would include information on periodicals in the referral organizations as well as those in the central NPC collection.

Page 3, lines 19-21. This section indicates that the copyright owners will determine the amount of compensation to be paid to them for reproductions of their materials. Again, as noted above, the phrase "delivered by or through the Corporation" indicates that provisions for compensation to copyright proprietors will apply, whether the requests are filled directly by the NPC or by referral organizations.

Page 3 lines 23 & 24. Because of the importance of guaranteed and continuing access to materials provided by or through the Corporation special contractual agreements will have to be made between the Corporation and the referral organizations, so that the Center and/or the organizations incur the obligation to provide permanent access to the materials. The contract will provide that, before the NPC or a referral organization could be released from this obligation, arrangements would have to be made for the Corporation or some other organization to assume the responsibility.

*Page and line numbers refer to 7-19-79 Legislative Proposal as amended for a National Periodicals Center Corporation prepared by NCLIS Legislative Drafting Team.

Page 4, line 1. The word "users" here and in other parts of the draft legislation should not be construed to mean that individuals will automatically and immediately have direct access to the NPC.

Page 5, line 10. Rather than mandating that the NPC must charge fees for all transactions, the legislation allows the Corporation discretion in decisions regarding charging for services. It is planned that the NPC ultimately would become self-supporting for routine operating costs by virtue of the fees charged. Decisions regarding the nature and amount of recoverable costs are left to the Board.

Page 7, lines 10-15. The strong sentiments of the drafting team are that every effort should be made to avoid as far as possible politicizing the Board. Thus the words "representative of the needs and interests of" were deliberately chosen in preference to, for example," representatives from" libraries, publishers, etc. In their capacities as board members, individuals will represent the interests of the Corporation and not constituent interests.

Senator Pell. Incidentally, there is no commitment to hold a hearing on the NPC. We are considering it. But I just want to make the record straight in that regard.

I was very interested, too, in the very specific criticisms or points raised by Mr. Hoopes, in connection with the NPC, because I recognize the necessity for the publications to be protected, too. Otherwise, publication itself might die.

In this regard, what is the present law for, say, giving a course, and a university professor assigns to his staff an article of 20 pages. Can that article be photocopied and distributed freely to the student body?

Mr. Hoopes. In conjunction with the development of the new copyright bill passed in 1976, which became effective on January 1, 1978, Mr. Chairman, we worked out a negotiated agreement with the educational community which would permit exactly the kind of example you cite. It would not permit the endless repetition of that kind of multiple copying, but for one-time use to cover a particular subject in a particular class, copies could be provided for each of the students, and this would be within the fair use rule.

Senator Pell. Now, do the research libraries support paying the full cost of the publications to the NPC or to the publication?

Ms. Dunlap. The research libraries are very much in favor of the National Periodical Center and would indeed support a system whereby the Center recovered costs for each issue or each article requested. This would, in large measure, help to support the Center once it was established. And if I may add a response to one of your earlier questions, the estimated cost of continuing the center once established, according to one particular plan, was about $4 million a year, the amount of money that would be recovered from the use of the Center would, of course, depend on the policies established.

But I think that all research libraries would agree that for little-used materials—and those are the kinds of publications that would be most useful in the National Periodical Center for research libraries—it would be far more beneficial in the long run to be able to borrow selected issues or selected items, and the cost would be much less to the research library.

Senator Pell. What I am concerned about here is some of these more obscure journals which are living from hand to mouth, and yet contain very important knowledge in them, that they could be forced out of business if their subscription list declined by 10 percent or 20 percent, and this could result from an NPC, I would think.

Ms. **Dunlap**. I believe there is provision in the act to pay royalties to the publishers, also to pay copyright fees, so I would think this would not be too likely to happen.

Senator **Pell**. But would the royalties and the copyright fees be equivalent to the cost of the subscription of the magazine? I do not think so.

Ms. **Dunlap**. That is difficult to say, of course, because we don't know what the volume of use would be. However, I would add that with the tremendous proliferation of scholarly publication, libraries of all types are able to buy fewer and fewer such publications. At the present time, 60 to 70 percent of many college and university library book budgets are devoted to periodicals and other journal subscriptions. If this trend continues, it has been estimated, by 1995, no library would be able to buy any books at all. The total budget would be spent for serial publications.

And so there has been an increasing tendency in recent years to cancel the subscriptions. The National Periodical Center would have the benefit of preserving these materials, making them available to the entire Nation, and at the same time, paying royalties to help sustain their life.

Senator **Pell**. In behalf of Senator Randolph, I wanted to ask a couple of questions here, and I will submit the rest for the record.

He asks that when a library is unable to provide its patron with a periodical article, it frequently can borrow the article from another library. Why isn't this approach, the interlibrary loan, better able to solve the problem of providing access to periodical literature?

Ms. **Dunlap**. Interlibrary loan has been a standard way of sharing resources in libraries for many years. It is becoming increasingly cumbersome and increasingly difficult to obtain materials in this manner. ILL relies almost entirely on the mails, which are often quite slow, that mail sometimes going by third or fourth class.

The biggest difficulty, I think, apart from the slowness, is that over half of the requests submitted on interlibrary loan are not filled, either because the library does not have the issue, because it is in circulation, because it is in the bindery, or because it is temporarily lost. That means that the requesting library has to resubmit the request to another library, and this can sometimes take months before the desired item is finally obtained. So that getting it from the National Periodical Center would make it very quick and, I would think, much easier.

Senator **Pell**. I think now there is a system that many publishers will distribute single copies of a single article that is published in their journal. Why isn't that able to resolve many of these problems?

Ms. **Dunlap**. The difficulty is that there are an estimated 200,000 serial titles. Even many of the largest academic libraries do not have more than, say, 20,000 titles. So this, of course, covers only a very minimal amount.

Publishers, because of the high cost, normally do not keep full runs of their titles in print, so that once those are out of print, they are unavailable. There is one large reprint publisher that lists something like 12,000 titles in its catalog, but is able to produce probably fewer than 6,000 titles, so that list is greatly inflated. And even of those 6,000 the publisher is not able to supply every single issue or all articles on that list.

Senator **Pell**. Thank you. There will be a couple of more questions we will ask you to respond to in writing in behalf of Senator Randolph.

Ms. **Dunlap**. I would be happy to do so.

Senator **Pell**. Mr. Benton?

Mr. **Benton**. Senator Pell, I just wanted to make one comment about your question on what would be the effect of the National Periodical Center on some more specialized publications.

This is, of course, a very complicated question, and it is one that really requires some further discussion and focus in the context of our describing and understanding better what the national periodical system is, because the Center is part of system.

And in this comparative evaluation of alternative systems for the provision of effective access to periodical literature, in the study of Arthur D. Little, Inc., there are three basic plans that are posed. A is the free market plan; do nothing and let the free market solve the problem or address the problem; B, a government agency, creating a monolithic center that in effect provides all the services to everyone, and then C, defining what the system is and what the center's role in the system is.

So we really do need to focus more on what the role of the center in the system is and have further dialogue between all the stakeholders to try to help resolve this problem.

Senator **Pell**. Following up that thought, as you know, the White House Conference is next month. Will the National Periodicals Center be on the agenda of the Conference?

Mr. **Benton**. Mr. Chairman, we will be sending out information about the White House Conference to all of the delegates coming to the Conference, and it will be discussed, you can be sure.

Senator **Pell**. The NPC will be on the agenda specifically, or not?

Mr. **Benton**. There will be opportunities and forums to address the NPC issue. The Conference is not organized specifically around particular legislative initiatives that are now in the works like NPC or the National Library Act, but all of these things will be considered, and information will be sent out to delegates before they come.

Senator **Pell**. That is why I believe that the recommendations of this Conference should be cranked into any legislative proposals that we may make.

Mr. **Benton**. Yes, we agree with that.

Senator **Pell**. Now, along with the agenda for the Conference, the two subjects that I am particularly interested in—and I have seen this, being a member of the National Commission on Historic Documents for many years now—the question of the quality of paper; the fact that so many books are printed on paper that will be withered away in a period of years. Will that be taken up at all?

Mr. **Benton**. Does anyone else on the panel care to address that issue?

Mr. **Hoopes**. I do not know, Mr. Chairman.

Mr. **BENTON**. Perhaps Tom could address that issue.

Mr. **GALVIN**. Thank you. If I may, the problem of the deterioration of printed materials is one of enormous concern to the whole library and scholarly communities, because of its adverse impact on access to recorded knowledge. I feel certain that this will be a major concern because of the serious implications for the deterioration of the national knowledge record. I feel certain it will be a major concern at the White House Conference.

Senator **PELL**. Well, I would very much hope it is. I know that I played a role in making sure that in any Government subsidies for hard-cover books we crank into the consideration of how much we spend for the quality of paper, and that we spend it for hard-cover books with paper that will last. I would hope that would be on your agenda.

The next question I had is are you going to consider anywhere the need for technical books as opposed to what you call trade books or books of more public interest? There are certain technical publishers around the country; will those interests be considered?

Mr. **BENTON**. As perhaps you are aware, Mr. Chairman, the Conference thematically is divided up into five general areas. The third area is library information services for organizations and professions. And most surely, the technical publications will fit in in an upfront way in this third theme of library and information services for business, organizations and professions. So it will be addressed, I am sure 'most particularly by the groups that are focusing on that theme.

Senator **PELL**. Will representatives from this kind of publishing be invited as delegates—not observers, but delegates—to the White House Conference?

Mr. **BENTON**. I do not know what the specific representation from this sector is, but we will find out for the record.

Senator **PELL**. Could you, and let me know, because I know this particular publisher, whom I have followed for many years, and who published one of my books many years ago, was not invited. And there is no reason why any particular one should be, but the viewpoint of that particular industry should very much be there, not as observers but as participants, I believe.

Mr. **BENTON**. Well, it is unfortunately a bit late to inject new delegates into the process, since this has been a carefully managed process from the States and with delegates at-large. But we most certainly can include such representatives in the official observer category and as resource people, so that they can participate in that way.

Senator **PELL**. And I would hope the subject matter would be considered.

Senator Stafford?

Senator **STAFFORD**. Thank you, Mr. Chairman. I will ask the panel just one question, and that is with reference to the annual estimated cost of operating a National Periodicals Center. Since this may very well come before the committee later on, I think it would be desirable for us to have some ballpark concept of what a center's operations might cost if one were established. If some of the panel could offer light on that, I would appreciate it.

Ms. **Dunlap**. I can only repeat the estimate of the one plan that we know of. However, the Association of Research Libraries would be glad to do some work on that and present that testimony to you later.

Senator **Stafford**. I think if that could be supplied for the record of this subcommittee in these hearings, it would be helpful as an advance notice to us of what we might be facing later on in addition to the $15 million figure for establishing the Center.

Ms. **Dunlap**. At this point in the record we would like to submit attachments D, E, and F which deals with the question of costs for establishing and operating a National Periodicals Center.

There have been three estimates of costs developed in the last 3 years. The first, attachment D, represents cost figures which were determined by NCLIS' task force on a national periodicals system in 1977. The second, attachment E, are costs determined through a study, in 1978, undertaken by the Council on Library Resources entitled, "A National Periodicals Center: Technical Development Plan." The third, attachment F, represents costs estimated by Arther D. Little, Inc., in a study just completed for the National Commission entitled, "A Comparative Evaluation of Atlernative Systems for the Provision of Effective Access to Periodical Literature."

[The information referred to follows:]

ATTACHMENT D

Estimated total annual costs for the National

Periodicals Center, in thousands of dollars

Year	Col-lection	Facili-ties	Staff	Photo-copy	Communi-cations & Delivery	Other	Total
1977	$1,732	-	75	-	-	54	1,861
1978	2,036	315	768	84	183	102	3,488
1979	2,393	315	1,008	105	232	122	4,175
1980	2,812	315	1,327	131	295	146	5,026
1981	3,305	824	1,734	164	375	192	6,594
1982	3,884	833	2,271	205	476	230	7,899

There are many shortcomings in the above estimates. Changes in costs due to new technology have not been included. Inflation rates are just best guesses, and, perhaps, the most troublesome estimates are the staff costs. The assumptions used do not allow for scale economies which should exist in such an operation. No additional costs have been estimated for LC's role as a major referral library at the third level and CONSER development and operations costs are not included. It is also anticipated that back-up resource libraries at Level 3 would be compensated for their services, although such costs were not included above.

Estimated costs for recovery by subsidy and fees

Year	Costs for Collection and Facilities (Subsidized)	All Other Costs (Recovered From Fees)	Unit Cost for Fees
1978	$ 2,351,000	$ 1,137,000	$3.79
1979	2,708,000	1,467,000	3.91
1980	3,127,000	1,899,000	4.05
1981	4,129,000	2,465,000	4.21
1982	4,717,000	3,182,000	4.34

The unit costs to be recovered by fees are reasonable and each year a higher proportion of the total budget is being recovered through fees.

ATTACHMENT E

The Financial Plan

The NPC will represent a national resource that will require an ongoing subsidy so that important material can be acquired, preserved, and made available even in the face of modest demand for that material. However, the NPC should ultimately become financially self-supporting for routine operating costs by virtue of the fees charged and the high level of processing efficiency.

The capital, operating, and preservation costs associated with the first five years of NPC operation are presented below.

Elements of Expense

Three types of costs will be involved in the NPC's initial (start-up) and ongoing operation:

1. Capital costs, consisting of facility construction and first-time initial furnishing costs.
2. Operating costs, including all costs associated with acquiring, processing, and maintaining the collection and filling requests. Actually the cost of the collection will be considered a continuing capital cost. The communications costs have been estimated on a

per transaction basis. It is to be expected that reductions can be achieved once the communications system is operational.

3. Preservation costs, including only those costs associated with microfilming materials in fragile condition or with special characteristics (e.g. large size), and where microfilming is not operationally justified based on the volume of requests made.

Eventually, continued funding should be available to routinely microfilm all materials received at the NPC for purposes of preservation.

Income and Expense Projection

Exhibit 1 on page 163 presents the NPC's anticipated operating expenses and preservation costs for the first five years from initial planning to full scale operation (see the chapter on implementation). Exhibit 2 on page 164 compares the financial results assuming that (1) the NPC fills 500,000, 1,600,000 and 2,700,000 requests respectively during the first three years of request fulfillment and (2) that processing fees from $2.00 to $3.50 per transaction are charged.

EXHIBIT 1

NPC BUDGET: YEARS 1 - 5

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1. OPERATIONS					
Personnel (incl. salaries & fringe benefits)	758,000	$1,403,000	$1,857,000	$2,272,000	$2,740,000
Supplies	35,000	80,000	84,000	89,000	95,000
Communications	20,000	200,000	375,000	1,200,000	1,725,000
Equipment (systems)	250,000 (1)	250,000	250,000	250,000	250,000
Insurance	5,000	10,000	10,600	11,000	12,000
Collection Development	2,095,000 (2)	2,095,000	2,095,000	2,095,000	2,095,000
Other equipment	300,000 (3)	300,000 (3)	300,000	380,000	425,000
Heat, lights & maintenance	35,000	37,000	39,400	42,000	44,000
Mail	-	-	77,000	232,000	428,000
Outside contractors	200,000	200,000	100,000	50,000	428,000
Contingencies	50,000	50,000	50,000	50,000	50,000
Subtotal	3,748,000	$4,625,000	$5,238,000	$6,671,000	$7,914,000
2. PRESERVATION					
Personnel (incl. salaries & fringe benefits)	-	-	$35,750	$71,500	$75,000
Supplies	-	$8,000	8,500	9,000	9,500
Equipment	-	200,000 (4)	150,000 (3)	-	-
Subtotal	-	$208,000	$194,250	$80,500	$84,500
3. CAPITAL					
Facilities	6,500,000	-			
Furnishing & equipment	-	$250,000			
Subtotal	6,500,000	$250,000			
TOTAL	$10,248,000	$5,083,000	$5,432,250	$6,751,500	$7,998,500

Notes for Exhibit 1

1/ $1 million for computer equipment, amortized over five years.
2/ Includes $375,000 per year for acquisition of backfiles. Acquisition costs averaged over five years.
3/ Includes one microfilm machine each year for three years.
4/ For morpholine processor and deacidification unit.

EXHIBIT 2 SUBSIDY REQUIREMENT PROJECTIONS FOR YEARS 1 - 5

Assuming Various Processing Fees
(In Thousands of Dollars)

	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Expenses	$3,748	$4,833	$5,432	$6,751	$7,998

Processing Fee	Subsidy Required for Basic Operation				
$3.50	$3,748	$4,833	$3,682	$1,151	($1,452)*
$3.00	3,748	4,833	3,932	1,951	(102)*
$2.50	3,748	4,833	4,182	2,751	1,248
$2.00	3,748	4,833	4,432	3,551	2,598

Number of Requests	-	-	500,000	1,600,000	2,700,000

* Income over expenses would be used for additional preservation activities.

It is clear from Exhibits 1 and 2 that the costs of the NPC are not trivial. However, it is also clear from Exhibit 2 that given the present cost and demand estimates, a modest and eventually declining subsidy of no more than $3,000,000 from the fourth year on would provide funds to assure the microfilming of all titles received at the NPC.

Funds required in the first year are $3,750,000 plus construction funds of $6,500,000. Second-year costs are $4,850,000 plus $250,000 for furnishings and equipment for the NPC building. Third-year costs rise to $5,450,000 but approximately 500,000 requests are expected to be filled. At a processing fee of $3.00 per transaction, the third-year costs are offset by a $1,500,000 income item yielding a nét cost of $3,950,000. Fourth-year costs reduced by an income item of $4,800,000 generated from 1,600,000 requests would be $1,925,000. However, at this stage a full subsidy of $3,000,000 is requested in order to assure the preservation of all materials received at the NPC.

In the fifth year, the $3,000,000 subsidy will not only provide for all preservation costs but should allow a reduction in the processing fees charged for access to the NPC. As the volume of filled requests mounts, the processing fee can be gradually reduced and, ultimately, so can the subsidy. A word of fiscal caution is in order. All of these projections are based upon expected demand. If for some reason demand fails to meet these targets, all estimates will have to be modified including that of the required subsidy.

For System C we use System B as the starting point, making adjustments as shown in Table IV-6. These include:

—For Capital Equipment and the half of the initial operations deficit* related to acquisitions activities, we reduce the costs by 1/4 to reflect the smaller collection size.

—For the half of the initial operations deficit represented by access-related activities, we reduce the costs by 2/3.

--Operating income is provided by 1/3 the demand used for System B, but we indicate a higher fee in keeping with the goal of setting the initial fee lower than, but close to, the expected eventual value.

---

* Table IV-5, from which the figure of 1/2 is derived, applies to an operating rather than a build-up environment; as a result, this procedure may understate the System C costs.

TABLE IV-6

SYSTEM C. START-UP AND TRANSITION COSTS
($ Millions)

Item	System B Cost	Adjustment Factor	System C Cost
Capital Equipment	6.75	by 3/5 (Collection Size Related)	5.06
Initial Operations	20.80	1/2 by 3/4 (Collection Size Related)	7.80
		1/2 by 1/3 (Demand Related)	3.46
Less Income	- 7.35	0.7 Million items at $4.50	- 3.15
Plus Copyright	2.22	0.7 Million items at $1.06	.74
SUB-TOTAL	22.4		13.9
Publisher Relations	1.25 (- 0.25)	by 3/4 (Collection Size Related) - (0.25)	0.69
Systems Development	0.80 (- 0.50)	To bring total to 1.50	1.00
Communications	- 1.35	Lower reduction by 0.10	- 1.25
Contingency	1.50	Reduce by 1/3	1.00
SUB-TOTAL	1.45		1.44
TOTAL	$26.5* millions		$15.3 millions

---

*Including $2.6 millions extra for back-copy collection costs considered in System B.

NOTE: Items in parentheses denote allowances, when making modifications, for parts of items already included in budgets.

NOTE: It is estimated that start-up and transition will cover a four to five year period.

Mr. **Hoopes**. May I make one brief statement, Mr. Chairman, with regard to the National Periodicals Center. You said your committee is not committed to further hearings on this subject. I would respectfully urge that you do hold hearings. In view of the complexity of the subject both as reflected by Senator Stafford's question and as reflected by what Mr. Benton had to say about how the National Periodicals Center would fit into a wider system of distribution, and also in view of the fact that there were no hearings held on this very complex subject in the House, I would respectfully make that request, sir.

Senator **Pell**. Thank you. It is just one of those questions of time constraints and the number of committees that Senators chair as opposed to in the House, where they do not chair as many. But we will do our very best.

Senator Javits?

Senator Javits. Mr. Chairman, may I just have a word? I do not have any questions for the panel except, because I have been on this committee for a very long time, to emphasize the critical importance of libraries to the country, and to pay my tribute to Senator Pell for the origination of the White House Conference on Libraries which will take place next month, and to urge that you all give your maximum to that, because it is a unique chance that does not happen at all, probably for another number of decades, if again, to make vivid to the American people libraries. They sound a little old-fashioned, and have been succeeded by so many visual aids, television, everything under the Sun. But for myself in my own experience, and my own study and that of my children and of my staff, I think they are still the staff of intellectual life. And I hope very much that you all do not fail to signalize the occasion by doing your best to build up the conference. That will do you more good in all the things you want than laws we can pass by getting the public interested, again in the traditional American love for the library and for the solid values which it represents.

Mr. Chairman, again, I wish to pay my tribute to you and the extraordinary way in which you fathered the Humanities Endowment—I must say over my opposition for a while—and the museums and the libraries.

Senator **Pell**. Thank you very much. We have done all this work together.

Mr. Benton?

Mr. Benton. Mr. Chairman, I just wanted to take this opportunity—and thank you for giving it to me, I appreciate it very much—to thank Senator Javits for his active support. He is a member of our White House Conference Advisory Committee to the White House Conference, and the representative of the Senate on that committee, and we are most pleased with your active and vigorous support of our cause here, and we are most grateful for that.

Senator **Javits**. Thank you.

Mr. **Benton**. I wanted to say just one last thing also, in relation to Senator Stafford's question.

Senator Stafford, I think it is absolutely essential that the stakeholders that are interested in advancing the cause of the National Periodical System National Periodicals Center, cost justify the money that they are asking for. We have got to be hardnosed about the money we are asking for and what we are getting for that money, and what we have to really focus on now is: What can we deliver for the money, and is it the best way of spending the money in delivering these services and meeting these needs? We must do this. The National Commission is committed to pursuing this further and making contributions in this area.

Senator **Stafford**. Mr. Benton, I say "Amen."

Mr. **Benton**. Thank you.

Senator **Pell**. Senator Schweiker?

Senator **Schweiker**. Thank you, Mr. Chairman. I apologize for being late. I had hoped to be here to welcome Dean Galvin. Unfortunately, my plane was a little bit late. I was welcoming the Pope to Philadelphia and doing my duties there yesterday, so I apologize. I appreciate the opportunity to be here.

Thank you.

Senator **Pell**. Thank you very much, Senator Schweiker. And thank you very much. I am particularly glad to see such old friends as Mr. Benton and Mr. Hoopes. I particularly appreciate the specific suggestions you made, and we will follow up on them—not necessarily follow them or agree with them, but we will consider them. I think they are very valid points.

Thank you very much indeed.

Senator **Pell**. Our next witness is Mr. Robert S. Willard, vice president for government relations, Information Industry Association, Washington.

Mr. Willard?

STATEMENT OF ROBERT S. WILLARD, VICE PRESIDENT FOR GOVERNMENT RELATIONS, INFORMATION INDUSTRY ASSOCIATION, WASHINGTON, D.C.

Mr. **Willard**. Mr. Chairman, Senator Stafford, Senator Schweiker, good morning.

My name is Bob Willard, and I am vice president of the Information Industry Association. We are a rapidly growing trade association comprised of businessmen and women of the information age.

Our members collect, organize, abstract, index, distribute, and otherwise add value to information. We are deeply concerned with public policy affecting information, and we feel that title II is very much an information-related section of the Higher Education Act in its general support of library and information resources.

We endorse the continuation of these support programs, and we would like to share a few specific comments.

With regard to part A funding, we also encourage the increase of this from $5,000 to $10,000.

With regard to part B, the research and demonstration grants, we ask that the Senate join the House in eliminating the needless restriction of these grants to only nonprofit organizations.

However, we would like to devote most of our attention to part D of S. 1841, which is identical to the bill reported by the House Education and Labor Committee. I am referring specifically to the provisions to establish a National Periodical Center.

Let me make it clear that we have a very distinct interest in this because our members—specifically, University Microfilms, Institute for Scientific Information—are actually doing now what this proposal would have the Government do. They are providing copies of periodical articles.

We recognize that the original Senate reauthorization bill does not contain any language about this, and we understand the reluctance of this subcommittee to enter any protracted discussion of this issue. We are therefore all the more grateful for this opportunity to offer our initial comments to the Senate subcommittee on the proposal.

I would like to establish two important points. First, we believe that now is not the proper time to be handling legislation establishing a federally subsidized NPC. The complexities of the issues involved deserve more attention than the Congress can effectively give while it is concerned with legislation as comprehensive as the Higher Education Act currently before this subcommittee.

Second, we strongly believe the best way to accomplish the objective proposed for an NPC—that is, to improve access to periodical literature—is through the continued growth of library networks and through unconstrained operation of an information marketplace, not through the establishment of a centralized, Government-subsidized business.

Let me now present a summary of our principal thoughts on these two points.

First, we said now is not the time to handle NPC legislation. We feel that Congress should deal with this as a separate issue, not part of something else. We think the facts and perspectives developed during the national discussions so far on an NPC should be weighed by Congress.

We note the Arthur D. Little study that has been referred to earlier, raises issues that must be addressed before pushing forward. And, as the Chairman has already noted, the White House Conference on Library and Information Services will identify the public priorities regarding such services. Congress should wait to see where the NPC stands among other competing priorities.

Second, I indicated that we believe the best approach is the market, not a centralized. Government-funded enterprise. We think that establishing an NPC would be using public funds to set up a business enterprise. We feel that the cost to the taxpayer is not insignificant, and may indeed grow in the future.

Senator Stafford very wisely questioned these costs, and I think it is important to point out that so far, nobody can really answer those questions.

Third, we think that the seeds of a real threat to intellectual freedom are contained in the NPC's ability to control information.

Next, we recognize that there already is an existing robust market in periodical reprints. No marketplace failure has taken place to justify Government intervention.

The trigger mechanism that is in the legislation could result in an unfunded NPC on the books, acting as a disincentive to improved private sector capabilities.

Finally, the NPC would provide an indirect subsidy to selected users and institutions.

Let me turn now to one final point, and that is that we believe the NPC proposal is, after all, a fundamental information policy issue.

I am especially pleased that the chairman of this committee is also the chairman of the Senate Rules and Administration Committee, because I would like to make reference to specific information policy which is currently before that committee. I am referring to the revision of title 44, which the chairman has sponsored.

There are many parallels contained in the two bills. We are attaching to our testimony an extract of this industry's testimony on title 44, because it demonstrates these very important parallels.

Of most importance is the fact that both bills set up indirect subsidies. I think that this committee should very clearly recognize that the NPC is, in essence, establishing an indirect subsidy to beneficiaries who are already receiving a direct subsidy through part C of the NPC.

Let me conclude by indicating that we very much appreciate the opportunity that you have given us to participate in this forum and state our very strong desire that we participate further in hearings devoted to this particular subject.

Thank you for this opportunity, and I would be pleased to respond to any questions.

[The prepared statement of Mr. Willard follows:]

Statement of Robert S. Willard
Vice President, Government Relations of the
Information Industry Association

before the Senate Committee on Labor and Human Resources
Subcommittee on Education, Arts & Humanities

Regarding Reauthorization of the Higher Education Act
(S. 1839, S. 1840, S. 1841)

October 4, 1979

My name is Robert S. Willard and I am the Vice President, Government Relations for the Information Industry Association. On behalf of the Association, I want to thank the committee for affording this opportunity to share with you some of our thoughts on Title II of the Higher Education Act.

The Information Industry Association is a rapidly growing trade association comprising the entrepreneurs of the information age. Our members are in the business of collecting, organizing, abstracting, indexing, distributing, and otherwise adding value to information. We are vitally concerned with the economics and the public policy affecting information in the marketplace. A list of our members is attached for your reference.

Title II is very much an information related section of the Higher Education Act. It deals with basic grants for library and information resources for institutions of higher education; it provides for research and training programs and demonstration projects in the fields of library and information science; and it authorizes federal support of research libraries, recognizing their unique contribution to the information wealth of this nation. The Information Industry Association recognizes the importance of these programs and without hesitation endorses their continuation.

We do feel a few specific comments on these programs are appropriate. With regard to Part A funding, we would join with our collegues in the American Library Association to encourage that the basic grant ceiling be raised from $5,000 to $10,000. The current ceiling was established in 1965. The ravages of inflation during the past decade and a half have eroded the value of these funds more than 50%; therefore the doubling of this authorization would merely bring the purchasing power back close to that level originally intended by the authors of the Higher Education Act of 1965.

Concerning Part B, we would draw the committees attention to Section 223 which prohibits the making of research and demonstration grants to other than the non-profit or the public sector. While we recognize that indeed much of the activity that this section is intended to support will come from those sectors, it does not seem equitable or wise to us to arbitrarily preclude the contributions that could be made by for the for-profit sector in developing "new techniques, systems and equipment for processing, storing and distributing information." We ask that the Senate join the House in eliminating this needless restriction.

We would like to defer comment on Part C of Title II while we turn our attention to Part D which is in S. 1841, which is identical to the bill reported by the House Education and Labor Committee. I am refering specifically to the provisions to establish a National Periodical Center. I recognize that the original Senate reauthorization bill does not contain any language concerning an NPC and understand the reluctance of this subcommittee to enter any protracted discussion of the issue. We are therefore all the more grateful for this opportunity to offer our initial comments to the Senate subcommittee on this proposal.

At this time we would like to establish two important points:

o First, we believe that now is not the proper time to be handling legislation establishing a federally subsidized NPC. The complexity of the issues involved deserves more attention than the Congress can effectively give while it is concerned with legislation as comprehensive as the Higher Education Act currently before this committee.

o Second, we strongly believe the best way to accomplish the objective proposed for an NPC, that is, to improve access to periodical literature, is through the continued growth of library networks and through unconstrained operation of an information marketplace, not through the establishment of a centralized, government subsidized business.

Before expanding on these two points, let me now present a summary of our principal thoughts on each:

Now is not the time to handle NPC legislation:

- Congress should deal with NPC as a separate issue, not part of something else.
- Facts and perspectives developed during national discussion on NPC should be weighed by Congress.
- The Arthur D. Little study raises issues that must be addressed before pushing forward.
- The White House Conference on Library and Information Services will identify the public priorities regarding such services; Congress should wait to see where the NPC stands among other competing priorities.

The best approach is the market, not a centralized government funded enterprise:

- Establishing an NPC would be using public funds to set up a business enterprise.
- The costs to the taxpayer is not insignificant and may indeed grow in the future.
- The seeds of a real threat to intellectual freedom are contained in the NPC's ability to control information.
- There is an existing, robust market in periodical reprints; no marketplace failure has taken place to justify government intervention.
- The "trigger mechanism" could result in a unfunded NPC on the books, acting as a disincentive to improved private sector capabilities.
- The NPC would provide an indirect subsidy to selected users and institutions.

* * * * *

In truth, we do not believe the Higher Education Act is the right place for NPC. While library services do indeed play a major role in higher education, the NPC proposal far transcends the higher education interests. Perhaps it would be better if the NPC proposal were permanently excluded from HEA. Perhaps it belongs in the National Library Act, (S 1124) introduced by two distinguished members of this committee, Senator Javits and Senator Kennedy. Ideally, however, we feel the legislation should be introduced alone to stand or fall totally on its own merits. Much study and discussion regarding an NPC has taken place already, and as we will point out later, much study remains to be done. Congress should carefully weigh this material before acting.

IIA has been involved in the national discussion concerning the establishment of a National Periodical Center for many months. We have communicated our position on this issue directly to the National Commission on Libraries & Information Science as well as to the library, publishing and information community at large. NCLIS, as an independent agency in the executive branch, has played a catalytic role in bringing together many of the concerned parties and we have responded to NCLIS's invitation. We participated in NCLIS's Open Forum on the NPC, attended numerous meetings of special committees and meetings of the commission itself, and provided detailed input to the independent research project sponsored by NCLIS on this subject. We have worked with many interested parties and all along have advocated a position that would seek not to duplicate or damage existing information resources.

We therefore are very disappointed by the inclusion of Part D in Title II of the House version of the Higher Education Reauthorization which was reported by the Education and Labor Committee last week. The presence of such language in this bill is doubly disturbing because it occurred in the face of our active participation in a consensus seeking operation under the auspicies of NCLIS and our concomitant commitment not to engage in advocating specific legislative proposals on behalf of our position on the NPC. Many of the points of agreement worked out among the interested parties have not been incorporated in the language of the House bill.

As a result of this our Association, at a meeting of its Board of Directors on September 19, adopted a resolution stating our outright opposition to the language of Title II D in H.R. 5192 and reaffirming ou commitment to a marketplace approach.

I think it needs to be made perfectly clear that the action on the House side, no matter how well intentioned, co-opted a number of parties from the library, publishing and information community who have very distinct and important perspectives and interests that should be taken into account in any consideration of an NPC. I hope this committee will go on record as committing itself to a full airing of these points of vi before any final legialative action. I can assure you of the willingnes of the Information Industry Association to participate fully with the committee just as we have so far with NCLIS.

Up to this point, the proponents of an NPC have been heard quite clearly. It is argued that there is a very strong base of support. Non theless, it should be clearly pointed out that the coalition of interest supporting the NPC may be somewhat narrow. In fact, it should be noted that even in the library community there is not a unanimity of spirit; I would ask that you include as a part of the record an article appearing the September issue of American Libraries, and titled "A National Periodical Center: Too limited a goal." The author, Donald J. Sager, direct the Chicago public library and is a member of the board of the Public Library Association. He questions the impact of an NPC on existing network developments, and fears that NPC is a low priority compared to othe opportunities for federal support of local library efforts.

There are two other developments that I believe this committee shoul take into account. The first is the study commissioned by NCLIS to evaluate alternative proposals for an NPC. NCLIS selected Arthur D. Little, Inc., a research firm with excellent credentials in the library and information community. The results of their study have just recently been released. The report raises serious issues that require further study and evaluation. Arguments that the NPC proposal has been "studied to death" are considerably weakened by a number of provocative and unanswered questions contained in the A.D. Little study. For example, one finding is that by the time an NPC is established and operating, it will be economically and technologically obsolete.

A second development is the imminent convening of the long awaited

White House Conference on Library and Information Services. We in the information community are looking forward with great interest to the recommendations that will come from this forum. The federal government is committing nearly $4 million to create a mechanism for the public to have some voice in deciding what should be done to improve the quality of library and information services. The statutory requirement of this conference is to provide to the President and Congress a recommendation affecting public policy in these areas. It is questionable, and perhaps even preemptive, to proceed with a federally funded NPC when it may be determined that this proposal carries a relatively low priority compared to other ways in which the federal government may assist library activities.

* * * * *

Now let me turn to a number of observations concerning IIA's position on the best way to meet the objectives of an NPC. I would hope to be permitted to expand on any of these points when the committee holds further hearings on this subject.

The Congress should recognize that if it establishes an NPC as envisioned in the current House bill, it will effectively be setting up an information business supported by public funds. The Congress should also clearly recognize that such a business would be in competition with existing enterprises, both for-profit and not for-profit, and this competition would feature some unfair characteristics such as the availability of government provided services at discount rates, the lack of any need to recover costs, and the freedom from paying any local or other taxes. Of course, such an operation would cost the taxpayers something.

We would urge the committee not to be misled by the estimated cost that is ascribed to the development of an NPC. Whether one takes a low estimate of 20 to 25 million dollars or the authorized amount of 75 million dollars in the House bill, the first five years of operation of the NPC do not represent an overwhelming drain on the federal treasury. Nevertheless, it would be a serious mistake to decide simply on the basis of low costs that there is a compelling reason to start such an operation. First of all, there should be concern over the potential expansion of activities of an NPC. If journal articles can be provided through this mechanism, might it not follow that there would be similar requests for books, for films, for reporting services and for audio-visual materials? Moreover, as pointed out in the A.D. Little report, even if the NPC is not successful it is a waste of public resources. Further, attempts to shore up faulty performance may result in even further waste.

Another fundamental issue (and one which is also presented in the A.D. Little report) concerns intellectual freedom. Admittedly improbabl but certainly not impossible, is the scenario in which a centralized NPC is established and as a result of its existence (either by accident or by design) libraries surrender more and more of their periodical holding confident they can always obtain what they need from the NPC. Simultaneously private sector document delivery facilities, faced with the chilling effect of competition by a government funded enterprise, direct their venture capital to other, more rewarding enterprises. The possibl result is that the one and only copy of a periodical exists solely in the NPC. This raises interesting and complicated questions about the economics of information generation and distribution, but more importantly it raises the spectre of information control. What would happen someone managing the NPC decides that a document they control is too liberal, too conservative, pornographic, threatening to national securit etc? Our democracy depends upon citizens' having access to multiple sources of information. The NPC, specifically as outlined in the House legislation, is a very real threat to such diversity.

Another observation concerns the grounds for justification of the NP It is argued that current inter-library loans (ILL) are causing tremendou cost burdens on a handful of institutions. To relieve this burden, the N has been proposed. However, it should be pointed out that in all proposa for the NPC, it is stipulated that the borrowing library would pay a char for access to the material; in theory this charge is meant to meet, at minimum, the operating and copyright costs of the transaction. ILL, on t other hand, is generally free to the borrowing library currently, althoug there is some trend away from this, (especially as compliance with provisions of the revised copyright law make royalty payments necessary unde some circumstances). In other words, a mechanism that charges for a serv is being proposed as an alternative for a mechanism that does not charge. We would argue that there is already in place a mechanism that charges, a it is a robust, decentralized information marketplace. This marketplace, even under the threat of a centralized, government funded NPC, has offered a diversity of services at reasonable prices. (For example, University Microfilms, Inc. and Institute for Scientific Information, two IIA member companies offer journal article reprints at prices between $5 and $10. We have described many of these existing services in a paper prepared for NCLIS prior to the A.D. Little study. We are submitting a copy of it to this subcommittee for the record.) We would argue further that in the absence of any threat to this marketplace its capabilities would expand significantly and that competitive forces would lead to even better quality and/or lower priced services. Finally, we would argue that it is folly not to give this existing marketplace a chance before declaring a market failure that requires government intervention and the establishment of a government NPC.

Let me turn briefly now to discuss one of the features of the House bill that is held up to demonstrate the NPC proposal is really not all that threatening. I am refering to the "trigger mechanism," specifically Section 201 (b)(2), which provides that the NPC will not be funded unless Parts A, B and C of Title II are funded at their fiscal 1979 levels. As one member of the A.D. Little study team observed, the presence of NPC authority in the law and the lack of appropriations would be the worst of all situations. The private sector would be extremely reluctant to invest any money in improving its capabilities in providing access to periodical literature when they realize that government funded competition is only an appropriations bill away. Thus those who desire access to the periodical literature would have neither an NPC nor an adequate private sector capability.

Furthermore, there is the very real possibility that the NPC as described in the House legislation could begin operations immediately upon authorization without requiring an appropriation. Inasmuch as the entity would have the authority to receive gifts from individuals and private, state, and federal agencies, organizations and institutions, it is easy to imagine an immediate fund raising operation dedicated to getting the NPC started. Once established, this entity then has its tax free status, its use of the U.S. mails on a subsidized basis, and its access to GSA supplies and services, including telecommunications, at rates not generally available to the private sector. Moreover it would be able to hire staff to begin lobbying with the Congress to remove the trigger mechanism or to raise the appropriations to such a level that it could begin full operations.

* * * * *

The trigger mechanism is obviously an artificial contrivance to make the Higher Education Act a hospitable environment for the NPC proposal. We have already stated a number of reasons why we think Congress should not include NPC in the HEA. But there is another point we'd like to bring to your attention.

The NPC proposal is after all a fundamental information policy issue. It deserves full attention as such. Too often the Congress deals with such issues in an indirect way. One only has to refer to the committee print issued by the House Administration Committee at the beginning of this Congress which identified more than 6 dozen public laws affecting information policy passed by the 95th Congress. Too often such matters are buried in comprehensive legislation and they fail to receive the attention they deserve. They also are handled by numerous committees throughout the Congress and it is very difficult to find any single point of authority and responsibility concerning information policy. Public policy affecting information will be seeking more and more attention as information continues to become more and more a part of daily life and our economy. Congress has the opportunity to recognize this in this particular circumstance by dealing with the NPC proposal independently and as a significant information policy question.

I'm especially pleased that the chairman of this committee is also the chairman of the Senate Rules and Administration Committee because I would like to make reference to specific information policy legislation which is currently before that committee and bears quite strongly on the NPC proposal. I refer to the bill to amend that part of Title 44 which deals with the Government Printing Office and the depository libraries (S 1436) which is sponsored Chairman Pell. The Information Industry Association has actively participated in much of the development of this legislation and we see many parallels contained in the two bills. We are attaching to our written testimony an extract from the testimony we presented on

Title 44 which clearly points out the similar issues involved in these two pieces of information policy legislation.

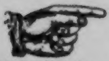
One of the specific aspects of our testimony on Title 44 that I would like to draw to your attention is our discussion of the differences between direct and indirect subsidy. Clearly the three parts of the Higher Education Act provide direct federal subsidies for information activities that the Congress has determined should be supported. The justification for Part C, special funding for research libraries, is that these institutions make a significant contribution, are broadly based, have unique natures, contain material not widely available, and provide services to individuals not connected with their related institutions. This federal funding is a direct subsidy to meet a public policy objective. The justification for an NPC is (partially, at least) that a number of research libraries are incurring costs to meet demands of their specialized collection of periodicals. The establishment of a federally funded NPC results in an indirect subsidy resulting in an additional flow of federal dollars to the research libraries because they would be relieved (in whole or in part) from the burden of making their periodical collection available. Inasmuch as the research libraries are already receiving a significant proportion of Title II funds in the fiscal 1980 appropriation (especially when the appropriation is measured as a percentage of the authorized amount) this subcommittee should clearly examine the ramifications of adding to this funding the indirect subsidy that would result from establishment of a federal NPC.

Before concluding, I do want to make it very clear that the industry does not support the belief that there is no role for government in information activities. Quite the contrary, we have long characterized the information structure of this nation as analagous to a three legged stool, the legs representing the public sector, the not-for-profit sector and the for-profit private sector. Without any one of the three legs, the stool does not serve its function. Any activity that tends to weaken one of the legs threatens its structure.

We feel very strongly that the leg represented by our industry, that is the for-profit private information business, can make and is making a very significant contribution to the overall national objective of improving access to periodical literature. We have shown that members of our association are already meeting this objective, some with direct coordination with the original publishers of the material, others in cooperation with the other segments of the information community which comprises the other two legs of the stool.

We can make a contribution to this objective and we can make a contribution to the discussion of how this objective is to be met. We very much appreciate the opportunity you have given us to participate in this forum and again restate our strong desire to participate further in hearings devoted specifically to this subject. Furthermore, with your permission, we would like to submit supplemental material on this subject before the hearing record is closed.

Thank you again for this opportunity. I would be pleased to respond to any questions the committee might direct to me.



Membership Roster
Information Industry Association
1979

Academic Press, Inc.
Allied Trading Company, Limited*
American Elsevier Publishers, Inc.*
Arrow International*
Aspen Systems Corporation
Auerbach Publishers Inc
b i Associates, Inc.
The Bob Birnbaum Company
The Bureau of National Affairs, Inc.
Business International Corporation
CALCULON Corporation*
Cambridge Scientific Abstracts, Inc.
Capital Systems Group, Inc.
Capitol Services, Inc.
CBS Publishing Group
Center for Business Information*
Chase Manhattan Bank
  Chase Econometric Associates, Inc.
  Chase World Information Corp.
  Interactive Data Corporation
Congressional Information Service, Inc.
  Greenwood Press
Congressional Quarterly, Inc.
Control Data Corporation
  Control Data TECHNOTEC, Inc.
  Control Data Worldtech, Inc.
Cordura Publications, Inc.
  D.A.T.A. Inc.
  International Plastics Selector, Inc.
  Mitchell Manuals, Inc.
Cuadra Associates, Inc.*
Data Courier, Inc.
  ABI
  Pollution Abstracts, Inc.
  Sedgwick Printout Systems Corp.
Dataflow Systems, Inc.
Disclosure, Incorporated
Documentation Associates
Dow Jones News Retrieval
Dun & Bradstreet, Inc.
  Reuben H. Donnelley Corporation
  Dun & Bradstreet Management
    Consulting
  Dun-Donnelley Publishing Corp.
  Dun's Marketing Services Division
  Moody's Investors Service, Inc.
Economic Information Systems, Inc.
Elsevier/North-Holland*
Encyclopaedia Britannica
Environment Information Center, Inc.
Fearon-Pitman Publishers, Inc.
Feuerstein Consulting*
FIND/SVP
FOI Services, Inc.
Frost & Sullivan, Inc.
Fuji Corporation*
Grolier Incorporated
Herner and Company
  Information Resources Press
INFOMART*
The INFO-MART
INFONET b.v.*
Informatics Inc.
Information Access Corporation
Information & Publishing Systems, Inc.
Information for Business Decisions, Inc.
Information Handling Services
  Data Management Division
  Information World
  Library Education Division
Information Management Specialists
The Information Manager
Information-on-Demand
Inforonics, Inc.
INSAC Viewdata, Inc.
Institute for Scientific Information,
  Inc.
INTERDOK Corporation
Intermedica*
International Business Machines Corp.*
International Data Corporation
International Development Center
Learned Information (Europe) Ltd.*
LEHIGH/ROCAPPI*
LINK*
Lockheed Information Systems
Management Contents, Inc.
MAXIMA
McGraw-Hill, Inc.
  California Test Bureau
  McGraw-Hill Book Company
  McGraw-Hill Information Systems Co.
  McGraw-Hill Publications Company
  Shepard's Citations, Inc.
  Standard & Poor's Corporation
Mead Data Central
Microband National System, Inc.
Microform Review, Inc.
MICROINFO*
Micromedia Limited*
MIDORI Book Store Company*
Morton Research Corporation
National CSS, Inc.
National Railway Publication Company
New York Times Co.
  The Information Bank
  Microfilming Corporation of
    America
A. C. Nielsen Company
  Nielsen Business Services
  Nielsen DATAQUEST
  Petroleum Information Services
    Group
NPM Information Services*
ONLINE, Inc.
Pharmaco-Medical Documentation, Inc.
Predicasts, Inc.
  Chemical Horizons, Inc.
  Gaylord Technical Survey Corp.
  Predicasts International
Princeton Datafilm, Inc.*
Real Estate Data, Inc.
Research Publications, Inc.
Roberts Information Services, Inc.
Science Associates/International, Inc.
SDC Search Service
Showcase Corporation
Sigma Data Computing Corporation
Stratigraphic Research Services, Inc.
SVP International*
Time, Incorporated
TRW Business Credit Services Div.
UPDATA Publications, Inc.
U.S.-Asiatic Company, Ltd.*
U.S. Historical Documents Institute, Inc.
Johan Van Halm, Consultant*
Warner-Eddison Associates, Inc.
Washington Post Company
  Everett Herald
  Newsweek
  Trenton Times
  PNS Post-Newsweek Stations, Inc.
Washington Service Bureau, Inc.
John Wiley & Sons, Inc.
  Wiley Interscience
Williams & Wilkins
The H. W. Wilson Company
World Meetings Information Center, Inc.
Xerox Publishing
  R. R. Bowker Company
  Ginn & Company
  UNIPUB
  University Microfilms International

*Associate, Nonvoting Members

Information Industry Association
Advancing the Business of Information

Directors

Chairman
Robert F. Asleson
R.R. Bowker Co.

Vice Chairman
Thomas A. Grogan
McGraw-Hill, Inc.

Treasurer
Robert H. Riley
Chase Manhattan
Bank, NA

Secretary
Roy K. Campbell
Dun & Bradstreet, Inc.

Past Chairman
Herbert R. Brinberg
Aspen Systems Corp.

James B. Adler
Congressional Information
Service, Inc.

Isaac L. Auerbach
Auerbach Publishers, Inc.

Carlos A. Cuadra
Cuadra Associates, Inc.

Haines B. Gaffner
LINK

James G. Kollegger
Environment Information
Center, Inc.

Edward M. Lee
Information Handling
Services

John Rothman
The New York Times Co.

Roger K. Summit
Lockheed Information
Systems

Loene Trubkin
Data Courier, Inc.

Norman M. Wellen
Business International Corp.

President
Paul G. Zurkowski

Vice President For Government Relations
Robert S. Willard

Communication Director
Helena M. Strauch

RESOLUTION

WHEREAS the Information Industry Association believes that the public interest is best served when the public has an opportunity to choose needed information products and services in a free marketplace, and

WHEREAS the Association supports the idea that government involvement in information activities should be limited to those activities which demonstrably cannot be provided by the marketpalce, and

WHEREAS the Association recognizes the strong national need to continue improving access to periodical literature;

THEREFORE BE IT RESOLVED that the Information Industry Association opposes the establishment of a National Periodical Center as proposed in the current version of the Higher Education Act (HR 5192), and

BE IT FURTHER RESOLVED that the Association communicate to appropriate Members of Congress its belief that the best approach to meeting the needs for access to periodical literature is by encouraging the development and use of existing resources, both public and private, rather than by the development of new government-sponsored or government-supported institutions, and

BE IT FURTHER RESOLVED that the Association also communicate to Members of Congress its further belief that, to the extent that federal intervention can help to improve access to periodical literature, the legislation defining this involvement should be carefully drawn so as to preclude duplication of, or damage to, existing information resources and institutions.

APPROVED

IIA Board of Directors
September 19, 1979

202/544-1939 316 Pennsylvania Avenue S.E., Suite 502 Washington, DC 20003 Cable: INFORMASSN WASHINGTON

ON MY MIND

A National Periodicals Center: Too Limited a Goal

"The NPC proposal, designed to improve service to a scholarly elite, appears almost frivolous."

by Donald J. Sager

There is general support in the profession for the creation of a National Periodicals Center, and while I am not opposed to the establishment of such an institution, I am concerned about the project and its short- and long-term impact upon American libraries.

I am reminded of the classic story of the fellow who disagreed with his physician about a surgical procedure he would have to undergo. He was a surgeon himself, familiar with the operation, and he argued that the old method elected was inappropriate. The day came for him to go into the hospital, and the patient still disagreed with the physician, but just as he was going under the anesthetic, he heard the surgeon say, "Alright, we'll do it your way, but the autopsy will prove I was right."

The only difference between myself and the patient in this instance is that not only do I disagree with the method, but I also wonder whether the operation is necessary in the first place. I was recently called upon to comment on the anticipated impact of the NPC from the perspective of public libraries. To prepare myself for that response, I asked the Interlibrary Loan staff at the Chicago Public Library to report on the volume of traffic for periodical backfiles.

I should note that CPL has approximately 6,100 current titles, and another 3,300 titles which are no longer published. That is not a large quantity for a metropolitan library serving 3.3 million persons, with some regional and statewide responsibilities, and I expected that we would need to draw heavily upon other libraries.

Such was not the case. In fact, during the preceding 12 months, we had to make only 190 requests for titles not in our holdings. Conversely, we received only 2,000 requests for periodicals from other libraries. Staff also informed me that a significant number of those requests were for missing pages vandalized both in our library and in other institutions.

Since we also offer computer-assisted reference service drawing upon almost 200 machine-readable bibliographic data bases and are heavily used by business and industry, factors which should have increased our need for many esoteric journals, I was very surprised at the limited impact NPC would have.

Requests for periodical backfiles both from and to our institution represent .00003% of our total circulation. If NPC is to support itself from user fees after three years, either those fees will have to be substantial, or the experience in other parts of the country is far different from ours.

Having served as director of small, large, and medium-sized public libraries in various states, I have observed that most public libraries are concerned with satisfying the everyday needs of the average layperson—a noble enough purpose and one which most libraries find difficult to achieve these days.

A Confusion of Priorities

That leads me to my second concern: the target audience for the NPC. The King survey, which was used to estimate the volume of demand for periodical backfiles, projected that public libraries would represent one of NPC's larger markets. Presumably this was based on the belief that public libraries have smaller backfiles than academic and special libraries. The demand for the more specialized titles, however, would come from a scholarly elite, hardly the typical public library patron, although among our constituency. It is evident that the drafters of the NPC proposal had only limited insight to the needs and concerns of public libraries, and if public libraries are to be a major NPC user, that could be a fatal flaw.

Most public libraries are not concerned with satisfying the demands of a scholarly elite. At a time when Proposition 13 is reducing local operating budgets, when city after city is facing bankruptcy, when inflation is eroding operating budgets, most public libraries are critically concerned with getting additional funds just to maintain basic services. The NPC proposal, designed to improve service to a scholarly elite, appears almost frivolous, and reveals a serious confusion of priorities which is tragic for American libraries.

One of the plan's arguments is that NPC will permit libraries to save money by providing better access to less frequently used resources. Thus it may be possible for a library to cut its periodical subscriptions in half, and rely upon the NPC to satisfy requests for a journal needed only once a year. If that were true, and if the NPC proposal was based upon some solid research on the cost and benefits of this procedure, then I would be first in line to subscribe to the service.

I doubt this can and will occur. Staff inform me that 95% of our periodical usage involves only 250 titles. While the balance of the titles most public libraries subscribe to may satisfy a limited demand, we still need to purchase them for immediate access or to develop depth for anticipated future demand. A substantial number of periodicals are furnished without cost through depository status or through grants from local corporations and businesses.

The greater need among public libraries is for more duplication of the popular titles to permit immediate access at the neighborhood level. Another major problem is vandalism, the loss of entire copies or articles to satisfy demands placed upon libraries by mass seasonal assignments. Neither of these problems would be eased by the creation of an NPC.

Furthermore, if the NPC would permit libraries to substantially reduce their subscriptions, then the concerns of the publishing and information industries are well founded. If those journals are not to vanish, they will have to substantially increase their subscription fees for those institutions where the demand justifies maintaining the publication, and raise the royalty fee for copying by the NPC. The publishers at least have the opportunity to adjust their prices to permit survival. However, that may not be possible if libraries must cancel needed journals because they cannot afford substantial increases in subscription rates. Under those circumstances no one benefits, and it is doubtful NPC would have accomplished more than to compound the problem.

There is a clear need for additional research to determine the probable extent of decrease in library holdings

---

Donald J. Sager directs the Chicago Public Library.

should NPC be established. Coupled with that, some projections should be possible in measuring the economic impact those reductions will have on the publishing industry, and what price increases could be anticipated. While a great many studies have been undertaken on the feasibility of establishing a National Periodical Center, they have not answered all the questions. If this type of study were made, it might answer the criticism raised by the publishing and information industries. If the NPC proposal is to gain the unanimity needed to get through Congress, the criticism must be stilled.

Blow to Networking

Another serious concern I have pertains to the impact NPC will have upon networking. The "plum book" which details the proposed operation of the NPC suggests a fee structure will be established to encourage libraries to first try their local and regional networks before they attempt to draw upon NPC's resources. Again, this assumption is not supported by any research. It has been my experience that the public gravitates to the largest collection in an area, often bypassing nearby libraries, despite increased time and expense. Librarians do the same thing in interlibrary loan transactions.

I believe that as long as any library can access the NPC directly, it will bypass local, regional, and state networks. Since the profession has been struggling for years to pump federal and state dollars into developing these hierarchical structures, the creation of the NPC runs counter to this policy and effort. The NPC provides yet another excuse for those libraries that have resisted network participation to remain outside.

Additional bypassing would be particularly tragic coming at a time when substantial effort is being made to convert many public library networks to multitype systems composed of academic, special, school, and public libraries. If we are to be consistent in our policies, something other than a higher fee will be needed to insure close coordination between local, regional, and state networks and the NPC. Reliance upon a fee structure is not sufficient, unless the fee is substantial, and that may run counter to the goal of making the NPC self-supporting.

I am equally concerned about the impact this will have upon future legislation and appropriations for systems. If legislators gain the impression that the NPC will serve as a centralized source for all periodical needs, they might conclude the same assistance could be provided for monographs, audiovisual materials, and other services and resources. Selling the NPC is certain to conflict with state and national efforts to improve local network funding. Acknowledging that the NPC will be unable to satisfy national demands entirely only weakens its case.

Failures of Centralization

Of course, it is unlikely the NPC could ever satisfy this nation's demands for periodical backfiles. This profession has not had much success in the past with centralization. Library history is littered with failures as expectations failed to materialize, often because the actual cost exceeded the original estimate or usage exceeded capacity. That has been true with centralized coperative processing, card catalog reproduction, and assorted other services.

NPC is not a new concept, as most of us know. I recently located William Frederick Poole's recommendations on centralized periodical holdings. In fact, the Chicago Public Library has 3,300 19th century periodical titles occupying thousands of square feet of storage space, as a silent witness to Poole's early efforts to establish this institution as a center for the Midwest. It is very dead storage space, for the materials are rarely accessed. This leads me to wonder if the NPC is an idea whose time has come, and gone.

There should be some other ways of accessing less frequently used materials. For example, an increasing percentage of all publishing, including periodicals, is translated into machine readable language at some stage on its way to our libraries. I feel we could better invest our time if we could find some method of centrally storing and accessing material rather than warehousing and shipping hardcopy.

Another aspect of the NPC plan which concerns not only public but special libraries is NPC's intent to develop a great retrospective collection of a select number of titles. It is my impression that currency is most critical in periodical holdings. In fact, that is the justification for their purchase in the first place. For that reason, if NPC does materialize, I would hope that greater emphasis is placed upon building a broader range of titles and less on developing complete runs. Readers request few issues older than five years.

The plan for establishing an NPC also calls for another level of service, drawing upon the great special collections in this nation, such as the periodical holdings of the John Crerar Library. This seems logical, but it also raises the question of why it would not be even more efficient to bypass the NPC entirely and channel the funds required for construction of facilities and development of a large collection to these institutions at the start. The experience of most states has proven the effectiveness of this approach. It is a standard policy to build upon existing strengths. Rather than a three-tiered structure, with the NPC in the middle between the local library and the special collections, it would seem logical to improve the funding of the local and special libraries.

Perhaps my most serious concern about the NPC is the impact it will have upon efforts which this profession has made to increase the federal share of local library support. If libraries are to remain viable into the 21st century, then something more than local real estate taxes will be required. Both the state and federal governments will have to join in this support.

Libraries are a national resource, and deserve a share of the federal budget as surely as local schools, housing, and highways. Our needs are so great—deteriorating facilities, inadequate access to the handicapped, marshalling the capital necessary for automation, coordinating access to local resources in a variety of libraries, coping with the rise of materials costs, building a bridge to the nonuser and the illiterate, investing in development of our personnel so they will remain effective and efficient—I feel it is a mistake to dissipate our efforts by coming to Congress requesting a few million for NPC. That is a cheap solution, and one which falls far short of reality. It also reveals the very limited level of aspiration we have in this profession.

I think everyone must realize that the NPC will serve only a very small minority, a scholarly elite. It will play only an insignificant part in solving the problems facing American libraries today, and as such it should serve as only one part of the legislative program we need to bring to Congress.

NPC has solid support in the profession. I hope we can build on this concept and construct a comprehensive package such as the National Library Act recently introduced by Senators Javits and Kennedy.

We are nearing a new century—a time for fresh and ambitious thinking. We should be building a national information utility, not just a periodical storage warehouse. Information is our greatest national resource, and if this nation is to maintain its leadership into the 21st century, if libraries are to be participants rather than observers, then we need a broader and farther-reaching set of goals. □

[EXTRACT]

STATEMENT OF PAUL G. ZURKOWSKI
PRESIDENT OF THE INFORMATION INDUSTRY ASSOCIATION
BEFORE THE COMMITTEE ON HOUSE ADMINISTRATION AND THE SENATE COMMITTEE ON RULES AND ADMINISTRATION REGARDING H.R. 4572 AND S. 1436

JULY 24, 1979

. . .[Many] privately produced information services were developed in the last decade by member companies of the Information Industry Association. . . .

These services are valuable both to the public at large and to the Government itself. . . . .

It has cost the industry multi-millions of dollars to develop and operate these information retrieval systems over the course of the last decade. The entire development investment was undertaken at no cost to the Government. As to the expense of operating these services, the Government, like all other customers, pays only for its own usage. . . .

It is clear that the bill is not simply a housekeeping bill. Implicit in its provisions are major national information policies, and Congress must ask itself how it intends to deal with these policies. Is it the intention of the Congress to place in the hands of one individual or one organization monopoly-like controls over . . . information? Is it the intention to ignore the significant private sector resources that are being applied to the massive task of making information available to citizens? . . .

However, there are three crucial questions . . . which we wish particularly to call to the Committee's attention. These issues relate to (1) the degree to which Congress wishes to centralize or decentralize information responsibilities, (2) the question of whether the Congress wishes to preserve the existing information marketplace; and (3) finally, the extent to which Congress will rely on the Government and Government alone to satisfy national information needs as opposed to making appropriate use of existing private sector capabilities.

* * *

First, how does Congress wish to address the issue of centralization? . . .

Experience has repeatedly shown us that if one wants efficiency and cost effectiveness, a centralized monopoly is the least likely mechanism to provide it — particularly a government monopoly. . . .

But even more to the point, we believe that a successful attempt to centralize the information activities of the government would not be in the public interest. We agree with the views put forth by Townsend Hoops in the Association of American Publishers' testimony last Thursday, [July 19]: centralization over the dissemination of information does not lead to efficiency; rather, "in the information industry, efficiency is a function of diversity and of choice." . . .

The second major policy question is whether Congress wishes to take the necessary steps to maintain an open marketplace of ideas and information . . . .

In its report, the Advisory Committee said it "considered the usefulness of the marketplace in determining user needs." It noted that "in the absence of the marketplace" the nation would be denied "any effective method for true competition between two or more suppliers of similar information services." Further, the Committee stated, "the challenge is to develop a system of coordination which does not destroy the advantages of multiple source information dissemination."

Only the existence of a multiple source information marketplace can provide the public with a choice of information products and services on a competitive, cost affective basis. If the marketplace did not exist, the private sector could not operate. And as Mr. Shenefield [Assistant Attorney General for Antitrust] suggests, when government owned commercial enterprises do not have competition, they lose the "discipline inherent in private, effectively competitive markets."

How then, can such a marketplace be maintained? Shenefield points out, since the government is not subject to the same disciplines as the private sector, if it enters the marketplace, it must do so very carefully, subject to certain rules.

One of the rules it should follow is to assure that the users have a choice between publicly and privately available information sources. . . .

A second rule is that the government should operate on a full cost recovery basis. Since private industry must recover its costs to stay in business, the government would operate at an overwhelmingly unfair advantage if it were not required to charge all users the full cost for its products. . . .

A third rule relates to the nature of subsidies the Government should provide users. To the extent that a category of users may require subsidies, the Government should attempt to use direct, rather than indirect, subsidies. . . .

A direct cash subsidy promotes the health of the marketplace by giving the customer a choice. Once subsidized, he can select the product or service which best meets his need without regard to whether the source is public or private. An indirect subsidy, on the other hand, tends to destroy the marketplace because it robs the customer of choice. Since the subsidy comes in the form of a government-supplied product, he has to "take it or leave it" regardless of whether it meets or fails to meet his needs. Under such circumstance, true competition soon disappears.

There is a difference between protecting the marketplace and protecting individual suppliers. In a truly competitive marketplace, the using public may prefer government-supplied information products and services to those supplied by private firms. This is the customer's prerogative, and the environment has no obligation to protect private enterprise from such a result of market activity. But we strongly believe that the Government does have an obligation to preserve the conditions under which users have choices, and under which private publishers can continue to operate — as independent disseminators, not as contractors — if the marketplace indicates that they are making a contribution of value.

The third major question is, to a democratic, free-enterprise system such as ours, perhaps the most crucial. Does Congress wish to rely exclusively on government services to satisfy the large and ever growing demand of its citizens for access to the information they need to perform effectively as citizens. Looked at from the other side, the question could be stated as "what role will be left for private citizens to play in meeting these national objectives?"

Of course, this issue is intertwined with the points raised above concerning centralization and market activities. But what we have in mind here is something greater than the question of how a government entity is organized, or what steps will be taken to prevent unfair competition in a given marketplace. The question really gets to the fundamental issue of how pervasive the government will be in activities affecting our daily lives: will the government do for us or will it instead nurture an environment in which we can do for ourselves? The question has even more significance at a time when citizens are looking closely at the cost of government, at the price that is exacted from them, and at what, indeed, they get in return.

Members of this Association have already proven their willingness to meet head-on some of the information problems of this nation as we have indicated in the opening pages of our statement. And, it should be pointed out, they have done this as full participants in a healthy economic system — they have provided a return to their investors, an income for their employees, and taxes for their Government. . . .

In the final analysis, the well-being of a democracy is based on the quality of information its citizens use in meeting their responsibilities of citizenship. It is this need for diverse sources of information which leads to the extraordinary special attention our Constitution gives to freedom of press and speech. Similarly, it should be this concept which leads this Congress to do all within its power to prevent the Government from becoming the only source of information . . . .

INFORMATION INDUSTRY ASSOCIATION
AN ALTERNATIVE APPROACH TO IMPROVING ACCESS TO PERIODICAL LITERATURE

EXECUTIVE SUMMARY

The proposed development of a National Periodicals System for improving access to periodical literature in the United States represents a potentially massive change in the structure of the information transfer system and all of its constituent elements. To successfully implement such a change requires careful thought to identify its positive, negative and net effects on the total information community, including users, libraries, publishers, current information providers and others involved in information transfer activities. The needs of any one group should be weighed against the potential effects on all other groups, and a single group's interests should not dominate the development process.

Perhaps the single most important change proposed in the "burgandy book" report entitled " A National Periodicals Center: Technical Development Plan" was the recognition that, in order for a National Periodicals System to work, the current basis for provision of document delivery services must be changed from essentially a total subsidy (through the inter-library loan system) to a pay-as-you-go basis where information users pay the cost of providing that information. The IIA fully supports this principle and suggests that the current concept of incremental cost recovery be extended to one of recovery by all organizations offering document delivery services of the full cost of providing those services, including a fairly allocated cost of developing and maintaining the collection of periodical literature from which copies are made. Any subsidy of the system, if required, should be provided to the user or borrowing library which is acting for the user rather than at the level of the information provider (lender or seller).

The IIA believes that the action of a free marketplace is the most adaptable means of accommodating such a massive change in this country's information transfer process. The Association recommends that the marketplace be given a chance to demonstrate its capacity to respond to user needs efficiently and effectively in the context of a pay-as-you-go mechanism based on full cost recovery. In such an environment, the private (and public) sectors will respond by expanding or developing products and services that will meet the vast majority of user needs for access to periodical literature. No government intervention in the free marketplace would be required as has been proposed in the form of a centralized National Periodicals Center.

The alternative considered by NCLIS involving the creation of a monolithic, centralized NPC with a huge, dedicated collection of periodical literature in paper or microform would be the worst possible response to user needs which have not yet been documented or quantified. It would, among other things, result in a large, ongoing subsidy optimistically estimated at more than $20 million dollars over the first five years; it would create a costly, inefficient quasi-governmental monopoly of periodical literature information that would compete directly with many current public and private sector services; and it would shift the burden of supporting an "information elite" to the taxpaying public.

As an alternative for NCLIS' consideration, the IIA proposes that the marketplace appoach be tried, incorporating the incentives of pay-as-you-go usage and competition based on full cost recovery. If, after a period of two or three years it is apparent that a coordinating function is required to make the system work effectively, an order referral mechanism could be put in place to provide a central bibliographic access, ordering, processing, referral and billing point for the convenience of users.

In the interim, while the Marketplace Approach is being tested, NCLIS should continue to study the effects of the implementation of a National Periodicals System on all of the participants in the process of providing effective access to periodical literature.

BACKGROUND

The quest for a solution to the problem of improving access to periodical literature in the United States predates both the National Commission on Libraries and Information Science (NCLIS) and the Information Industry Association (IIA), and in fact, is at least partially responsible for the founding of both organizations.

This quest has recently been narrowed to the consideration of a National Periodicals System (NPS) and, within that context, a National Periodicals Center (NPC). In its previous communications with NCLIS and with the NCLIS committees investigating the NPS and NPC concepts, the IIA has consistently supported the basic goal of "improving access to periodical literature for libraries and thus to individuals using libraries," which was reiterated in the Council on Library Resources' report "A National Periodicals Center: Technical Development Plan." Second, the IIA wishes to strongly affirm and support the new position taken in that plan that the users of information (specifically photocopies of periodical articles in this case) pay for that information--not only the payment to copyright proprietors, but also the cost of providing the information. This is a position which the IIA has consistently maintained must be the basis for free and fair competition in the information marketplace. Finally, the IIA has also consistently supported a thorough investigation of alternatives to the NPC configuration outlined in the "burgundy" report and wishes to reaffirm that stance.

With these three precepts in mind, the IIA is pleased to respond to the request by NCLIS to describe existing alternative services that will, taken together, substantially meet the goal of improving access to periodical literature. In order to put IIA's descriptions and recommendations in a fuller context, the following presentation of fundamental IIA premises, concerns and questions about the NPS and NPC concepts is appropriate.

o The IIA supports the development and maintenance of a free and open marketplace for information involving a plurality of public-and private-sector organizations as the most efficient mechanism for ensuring that users' needs for access periodical literature are met.

Any alternative NPC configuration that restricts the marketplace will work to the long-term detriment of information users by discouraging the investment in and development of needed services by the private sector. Similarly, any National Periodicals System must utilize the existing resources available in the public and private sectors. Duplication of these resources by the government or a quasi-governmental agency will be economically wasteful at best and societally detrimental at worst.

- The Federal Government, and in fact any government, should do for its citizens only what they cannot do for themselves; it should not compete with its corporate and individual citizens in areas where the private sector is already providing needed products and services. These principles have been stated in OMB Circular A-76 as well as in the pronouncements of many government officials and should be fundamental operating guidelines for all government or government-supported activities. Again, utilization of and not competition with the activities of private sector companies must be a key element of any NPC alternative.

- The draft legislation proposing establishment of a National Periodicals Center Corporation creates the potential for monopoly by the NPC of the process for accessing periodical literature, as is the case with the British Lending Library Division. It is a truism in economic theory that any monopoly, however well-conceived and executed, is inherently more costly and inefficient at providing products and services than is a competitive marketplace. In these days of inflation and constraints on government spending, it hardly seems to be a propitious time for funding a monolithic, potentially monopolistic NPC as an answer to gaps in service which have been generalized as the "periodical access problem."

- Another principle of Federal Government operation established by OMB Circular A-76 is that of full recovery by governmental agencies of all operating costs of providing products or services to the public. As mentioned above, the "burgundy" report established a "pay-as-you-go" basis for document delivery services provided by the NPC. In that case the payments were to be based on the incremental cost of the fulfillment process plus the payment to copyright proprietors. The IIA believes that full cost recovery, including the complete or an allocated partial cost of building the periodical collection should be the basis for pricing throughout a National Periodicals System. These principles must pertain to the NPC and should be adopted by all libraries, government agencies and other organizations which participate in a National Periodicals System. Development of a "pay-as-you-go" system for purchasing periodical articles, coupled with a recognition of the requirement for full cost recovery, would give the marketplace an opportunity to respond to demand and provide the requisite services at not only no cost to the taxpayer, but also to taxpayers' net benefit (from taxes paid by for-profit institutions). The necessity for users to pay for information is the totally new dimension acknowledged in the NPC design process, both in the mechanism for paying royalties to copyright proprieters and in the "burgundy" report's setting of fees for photocopies provided by the NPC.

o From an economic standpoint, the NPC concept proposed in the "burgundy" report, as well as any NPC configuration that requires a direct government subsidy, is essentially asking the taxpaying public to support the needs of an "information elite," which in this case is the small proportion of the total population that will ever use an NPC. We recognize that until now, the major research libraries have been the large net lenders in the current inter-library loan system in the United States and have therefore been subsidizing the system. Clearly, the IIA does not dispute the vital need to carry on, encourage or actually subsidize academic or scientific research in this country, but rather it contends that the NPC is not the proper vehicle. Furthermore, an ongoing (and substantial) subsidy would be required for the NPC configuration investigated by the Council on Library Resources, even if their optimistic projections of costs and levels of demand are achieved. If a subsidy is required, a subsidy directly to borrowing libraries or users to permit them to purchase the desired services directly would be one way to meet user needs as well as provide an opportunity for the private sector to participate in an NPS.

- The draft legislation contains a finding that satisfaction of "all of the (libraries, publishers and other information organizations and individuals) users' needs" cannot be achieved by existing collections of periodicals. In light of previous finding in that same document that "adequate support of research, education and industrial development" must be assured, the IIA questions whether Congress has an obligation to meet all of the users needs as opposed to providing adequate support. First of all, the need has not been fully documented or quantified, although there is no argument that some level of need exists. Second, there has been no comparable investigation into the likelihood that a nearly equivalent service could be provided for substantially less money by tying together existing document delivery resources through a communications network.

- A cardinal rule in the development of proposals is that all of the alternatives for achieving the stated goals and objectives be thoroughly investigated and rigorously compared. This rule has not been followed in the process to define a structure for the NPS and NPC, and little analysis has been or will be directed at alternative proposals for improving access to periodical literature. If such a presentation as the "burgundy" report were submitted in any of the IIA companies, it would be rejected out-of-hand as incomplete. The IIA suggests that the draft legislation now under discussion is a product of an inadequate investigation and costing out of alternatives and, despite the intentions of the Legislative Drafting Team, does not address the key issues raised in the preceding paragraphs and does not provide for the effective inclusion of private sector resources in the proposed NPC.

PRIVATE SECTOR CAPABILITIES

The following section describes the breadth, depth and variety of resources available now to meet the needs of users for access to periodical literature. In some cases reference is made to services which could readily be developed if the "threat" of a proposed NPC is removed as a constraint and if the "promise" of an information marketplace for periodical literature incorporating a full-cost, pay-as-you-go funding basis is added as an incentive. Under those two circumstances, the private sector will most certainly respond with the investment in new systems and technology required to build or increment existing capabilities to meet NCLIS' objective. The basic point to be stressed is that neither circumstance has been true in the past and that there has never been a true test of the private sector's ability to meet that objective. As long as the threat of an NPC which may preempt the marketplace exists and as long as the "free" interlibrary loan system (however subsidized and inefficient) exists as an alternative to paying for document delivery services, there is little incentive for private sector companies to develop their own capabilities beyond a level of service that addresses the areas of high demand.

Despite the obvious disincentives to investment in products and services to improve users' access to periodical literature, the private sector (within and without the IIA) has developed substantial capabilities in that area. These range from companies with thousands of periodical titles in their own dedicated collections (University Microfilms International (UMI) with 13,000+ and Institute for Scientific Information (ISI) with 5-6000) to information retailers that provide access to thousands of titles using external periodical collections in libraries (FIND/SVP, Information on Demand, Documentation Associates and many others). Also included are companies performing indexing and abstracting services that not only create the finding tool but also deliver the cited documents on demand (Data Courier, Environment Information Center, Management Contents and others). Finally, on-line data base suppliers (such as Lockheed and SDC) and producers of serials bibliographic data bases (R.R. Bowker) add elements to the total capability of the private sector. Each of these areas is discussed in greater detail below:

- **Document Delivery Services**

IIA companies (as well as other private-sector companies) have developed a number of types of services that respond to the need for improved access to periodical literature. (See Exhibit A for a summary of an IIA survey of thirteen representative companies providing such services.) These include companies with substantial collections of periodicals in microform and/or paper copies which provide photocopy or tear sheet document delivery services covering a total of more than 16,500 titles and microform reproduction of roughly 3,200 more. Copyright payments are made directly to publishers with whom permissions agreements are made. Excluding overlap between collections, these companies cover approximately 13-14,000 titles, many ranging back to volume one and the vast majority covering at least the past five years. Document prices are generally in the $4.50 to $6.00 range, and delivery times are most often 24-48 hours plus delivery (mail, courier, facsimile transmission, etc.). Payment can be made using deposit accounts, stamps, or cash (prepaid or billed). For these companies, the document delivery service has been an adjunct to micropublishing, indexing/abstracting, or "information on demand" services that are also key elements in the users' overall ability to have access to periodical literature.

Second, a number of IIA companies provide document delivery services as part of an indexing or abstracting service or a data base publishing activity. These services are generally organized around subject-oriented bibliographic tools and represent the final step in a user's information search and retrieval process. Often the copies are provided from the paper copy of the journal used in the indexing or abstracting procedure. These collections range in size from 400 titles to several thousand. Document prices are generally in the $4-6.00 range, and turnaround time is 24-48 hours for most requests. In some cases, the index or abstract data base is on-line, and on-line ordering is possible. Payment can be in cash or via deposit account.

A third approach taken by IIA companies to providing document delivery services is that of the "information retailer." These companies provide research and information gathering services that include document delivery as one of the components of an "information on demand" concept. The companies generally do not maintain extensive periodical collections, but rather they make arrangements with libraries and other holders of periodicals collections to use those collections to provide copies of needed articles. Copyright permissions are obtained directly from publishers or through the Copyright Clearance Center (CCC). This means the title coverage offered by these companies is limited only by the extent of the collections to which they have access, which makes their coverage virtually comprehensive. Document copies may be priced separately from $4.50 and up or may be included in a charge for the total service. Payment is generally in cash or through deposit accounts, and delivery time may be within 24 hours if required or up to many days, depending on the nature of the information request.

In the aggregate, the IIA companies falling in these three categories represent a substantial capability to provide fast, relatively inexpensive and virtually comprehensive access to periodical literature using the latest ordering, copying and delivery techniques. Add these capabilities to those of other non-IIA companies and not-for-profit institutions in the private sector, and the extent of the private sector's present ability to address "the periodical access problem" becomes considerable. Despite the lack of a"pay-as-you go" approach in the marketplace, it is estimated that the total number of article copies delivered by all private sector organizations is at least one million annually and is growing at a rapid rate. Although relatively small in relation to the 3.9 million periodical photocopy items reported by King Research as inter-library loan usage in 1976, the volume of copies provided by the private sector is nontheless significant.

A second important contribution of the private sector which must be considered is its ability to react to and incorporate new technologies which can enhance access to periodical literature. The competitive forces at work in the free information marketplace result in the application of the latest technology to users' needs. This flexibility will be of the utmost importance as electronic publishing emerges as the dominant medium in the future information transfer process.

Therefore, because of both the private sector's current capabilities and its flexibility to meet future user needs for delivery information in a variety of formats, it is imperative that further investigation be conducted to determine the extent to which these existing resources can meet NCLIS' goals.

o On-line Data Base Suppliers

Two major IIA member companies provide on-line access through thousands of terminals to more than one hundred data bases, many containing citations to periodical literature. Lockheed Information Systems and SDC Search Service have developed proprietary systems for on-line search and retrieval that gives almost instant access to bibliographic data on periodical literature. SDC now offers an electronic ordering system through which orders for articles from nine sources can be placed instantaneously, and Lockheed is expected to announce the availability of a similar service. Together, these two companies add an important dimension to the private sector's capabilities for providing access to periodical literature.

o Serials Data Base Producer

The R.R. Bowker Company has already captured essentially all of the bibliographic data that would be required to control access to periodical literature in the United States. Its Ulrich's data base publications selectively list more than 92,000 currently published serials titles covering nearly 100% of the needs of almost every U.S. library. The data base is available in machine-readable form. In addition, Bowker lists more than 220,000 titles in its New Serial Titles data base, including holdings information for more than 800 libraries. Together, these two data bases, combined with Standard Library Identification Number data, additional holdings data and subscription information for current titles would form the basis for an extremely powerful finding tool for periodical literature, and they should not be overlooked in the design of a National Periodicals System.

In addition to these considerable resources attributable to IIA companies alone, there are many other systems and organizations in the private and public sectors now providing services that result in improved access to periodical literature. Descriptions of some of these are presented briefly below to emphasize the point that virtually all of the capabilities necessary to meet the requirements of a National Periodical System are now in place and need only appropriate incentives and proper coordination to accomplish the vast majority of the objectives described for an NPC.

OCLC, INC. AND THE INTER-LIBRARY LOAN SYSTEM

In April, 1979, OCLC, Inc. made an inter-library loan subsystem available to the more than 1,800 institutions it serves in 49 states. The system is designed to result in a better-coordinated, more efficient ILL system in the U.S. In its testing phase earlier this year, the ILL subsystem not only increased activity, but also spread activity over more institutions reported in the June, 1979 BULLETIN OF THE AMERICAN SOCIETY FOR INFORMATION SCIENCE. This diminishes a major complaint of the Association of Research Libraries, whose members are major net lenders in the ILL system and are also the principal proponents of the NPC. In any case, an effective ILL system could go a long way to improving access to periodical literature, and if private sector document delivery services are listed with OCLC as potential fill sources as well, the combined capability would be considerable.

NATIONAL LIBRARY OF MEDICINE

All proposals for a National Periodical System have recognized the role of the National Library of Medicine (NLM) and its system of regional and local resource libraries as being a well-established, highly efficient means of providing access to more than 6,000 current medical periodical titles (21,000 in total). In 1976, the entire NLM system filled 1.5 million requests, 80% of which was done at the regional level or below (from CONTU testimony in 1976). The NLM system, in fact, provided the model for the three-tiered NPS proposed in the "green book", "Effective Access to the Periodical Literature; A National Program." The area of medical periodicals has apparently been specifically excluded from the proposed coverage of the NPC for that reason. The IIA applauds this recognition of existing resources and believes that the same rationale should be applied to the other types of resources available in the marketplace today, including those of the private sector.

OTHER ORGANIZATIONS PROVIDING DOCUMENT DELIVERY SERVICES

The following section provides a partial listing of the many other organizations that provide document delivery services to millions of libraries and served end users.

- The Center for Research Libraries provides photocopies of articles through its own collections, which it has begun to significantly expand within the past two years. CRL also offers a service to its member libraries which utilizes the British Library Lending Division as a fill source (volume of requests to BLLD was 25,000 in 1976, according to CONTU testimony by Mr. Gordon Williams).

- The Universal Serials and Book exchange is the holder of substantial numbers of periodical titles and has recently introduced a service to provide copies to users on an inter-library loan basis. USBE's collections are substantial, and its director, Alice Ball, has publicly requested that USBE be a major element in any National Periodicals System.

- MINITEX (Minnesota Interlibrary Telecommunications Exchange) administers a network of libraries in Minnesota and adjoining states that has developed an efficient inter-library loan system for the provision of periodical articles and other materials. Its 130,000 periodical inter-library loan transactions in 1976 provided an important analytical base for the 1977 King Study of photocopying in the United States.

- The British Library Lending Division receives more than 3 million requests for materials annually, roughly 50,000 of which are from the United States through CRL, NLM and other sources. BLLD's coverage includes roughly 48,000 currently-published serials plus another 60,000 ceased titles.

- Linda Hall Library is a library funded by a private foundation which provides photocopies of articles from a collection of approximately 15,000 current titles plus another 15-16,000 ceased titles, mostly concentrated in the scientific/technical area. In 1976, their reported volume (in CONTU hearing testimony) was 56,000 articles from more than 1700 institutional requestors.

- The National Agricultural Library provides more than 10,000 photocopies of copyrighted periodical articles per month plus an equivalent number of copies of non-copyrighted materials (1977 CONTU hearing testimony). Like the NLM, the NAL also relies on a system of local and regional libraries to fill approximately 75% of all requests.

- Several other public sector organizations offer services that provide access to periodical literature, including the Associated Colleges of the Midwest Periodical Bank, the John Crerar Library and several other individual libraries. A number of indexing and abstracting services such as Chemical Abstracts Service and Engineering Index either have or are planning document delivery services for their subscribers and other users.

In the aggregate, these private-and public-sector organizations, coupled with an inter-library loan system that already handles several million transactions annually, represent a tremendous resource for providing access to periodical literature. It is an imperfect system, giving rise to the complaints of slowness of response, inadequacy of title coverage, inequity of request distribution and others that have formed the basis for the alleged need for an NPC. It is also a system that lacks incentives to perform document delivery services efficiently in that the funding burden of the system is largely placed on the providers of the services rather than the users. The IIA is convinced that, given a marketplace framework where payment by users is required based on full cost recovery by the document delivery fill source, a highly-effective, user-oriented system will develop, driven by market demands to meet the vast majority of the requirements of users; and that result can be achieved without the continued expenditure of large amounts of taxpayers' money to subsidize a monolithic, inefficient National Periodicals Center.

ALTERNATIVES FOR CONSIDERATION BY NCLIS

With this background of the capabilities of the private sector and the resources available in the public sector to provide access to periodical literature, the IIA suggests that three basic approaches (with many possible variations) are logical for consideration by NCLIS as alternatives for meeting the goal of improving such access. For purposes of the following discussion, they are entitled: 1) The Marketplace Approach; 2) The Order Referral Mechanism Approach; and 3) The Full NPC With Dedicated Collection Approach. A brief exposition of each approach along with its pro's and con's from an IIA standpoint is presented below.

THE MARKETPLACE APPROACH

The Marketplace Approach is founded on the premise that the free enterprise system, given appropriate incentives and an opportunity to compete fairly with not-for-profit and public sector organizations, will respond to user needs and provide a highly-efficient, highly competitive system for accessing periodical literature. Appropriate incentives would consist only of the institution of a "pay-as-you-go" basis for the acquisition of periodical articles. The opportunity to compete fairly would require only an acceptance of full cost recovery as a basis for pricing of public-sector products and services. Subsidies could be provided at the user level (or at the borrowing library level) where deemed necessary to adequately support research, education and industrial development activities.

Assuming the above conditions could be met and the threat of imminent development of a subsidized monolithic NPC is removed, the marketplace (including not-for-profit organizations) would act to develop products and services substantially meeting the NCLIS objectives at a net benefit to the taxpayers. These would be likely to include: an expanded OCLC inter-library loan subsystem, which would eventually incorporate private sector fill sources resulting in greater and more evenly-distributed use of the ILL system; a substantially-expanded capability in the private sector (more indexing and abstracting with attendant document delivery services, broader collections of periodical literature, better ordering and delivery mechanisms, additional sources of supply, etc.); and improved capabilities in the public sector based on revenues derived from the sale of rather than the "gift" of article copies to requesting parties.

Pro's

- Optimizes the use of existing private-and public-sector resources.
- Places cost on the users of information where, if desirable, it can be subsidized directly.
- Encourages active competition and its concomitant benefits.
- Minimizes the role (and cost) of government in the process, and avoids direct government competition with the private sector.
- Provides tax revenues from profits generated by private sector companies.
- Maximizes the incentive to incorporate new technologies into the information transfer process.
- Meets the vast majority of users' needs for access to periodical literature.

Con's

- Will not meet all of libraries' and users' needs.

From the IIA's standpoint, the Marketplace Approach is by far the best alternative since it alleviates virtually all of the concerns described at the outset.

THE ORDER REFERRAL MECHANISM APPROACH

Development of a communications interface between the many entities involved in providing access to periodical literature is the principal feature of this approach. The interface would most likely be with a central facility (or facilities) which could maintain and disseminate bibliographic holdings data to users, receive and assign requests to appropriate fill sources based on a set of decision rules, receive payments and disburse service charges to fill sources and payments to copyright proprietors (through the Copyright Clearance Center) and compile system statistics. The facility could be developed by a private sector organization on its own or under government contract or could be created as a separate entity funded by the government as a National Periodicals Center without any dedicated periodical collection.

In all cases, the facility would link users with the wide variety of fill sources already available in the marketplace. It is not a new concept. In fact, an early version was presented in September, 1976 as "A Conceptual Design of a National Periodical System" for the consideration of NCLIS by James L. Wood of Chemical Abstracts Service (attached as Exhibit B). The design outlined the interrelationships between eight components of a National Periodicals System and defined the flows of messages, documents, reports and monies among the components. Since that time, technology and the growth of capabilities already available have made achievement of such a system even more plausible. The configuration of an order referral mechanism need not be precisely what was described by Mr. Wood. however, the key elements required to make a referral mechanism work are in his design.

For the order referral mechanism approach to work from an IIA viewpoint, the same preconditions about pay-as-you-go usage and full cost recovery requisite for the marketplace approach must also be present. This will encourage development of existing resources to enhance the entire system's performance characteristics. The Central Records Facility and the Financial Institution (which could be a single entity) in the Wood paper are the essential differences between the Marketplace Approach and the Order Referral Mechanism Approach.

Pro's

- All of the pro's pertaining to the Marketplace Approach apply.

- The central facility offers users the convenience of a single ordering and payment point and fill sources of a single order entry vehicle and source of payments.

Con's

- The central facility adds some direct cost to the system which must be absorbed by users, fill sources or the public. On the other hand, some costs to the system may be reduced (e.g. searching, ordering, verification, etc.). The net of these two cost differentials is not known.

- Centralization of an order referral mechanism involves the concentration of considerable economic power over any given fill source, opening up the possibility of abuse of the system.

This alternative offers some additional advantages but also some significant disadvantages compared to the Marketplace Approach. Under the right conditions, it could be an attractive alternative should the Marketplace Approach not develop responses to user needs as anticipated.

THE FULL NPC WITH DEDICATED COLLECTION APPROACH

From IIA's standpoint, the Full NPC approach is the basis of all the concerns and questions raised at the beginning of this paper. It involves the building of a centralized facility that, in addition to providing the order referral mechanism, would mean acquisition and storage of a large dedicated collection of periodical literature that would duplicate (at great expense to the taxpayer) much of what is currently available in the marketplace. It would require construction, purchase or lease of a substantial warehouse, acquisition and development of a costly collection of periodicals, creation of operating systems and hiring of substantial numbers of people. The Full NPC's basic operations have been described in the "burgundy" report from CLR to NCLIS.

Pro's

- None

Con's

- Ignores existing capabilities of the private and public sectors and discourages private sector investment in needed products and services.
- Places the Federal Government (through a quasi-governmental agency) on direct competition with the private sector.
- Creates an inherently costly and inefficient monopoly of the system of providing access to periodical literature and a potentially dangerous monoply of the information flow in general.
- Would require substantial and continuing Federal Government subsidies that will total at least $20 million dollars in the first five years, assuming that questionable cost and revenue projections are realized.
- Shifts the burden of subsidizing the inter-library loan system from relatively small number of major libraries to the taxpayer.
- Addresses a need which has not been fully documented or quantified.

The proposed "burgundy book" configuration for a centralized NPC is based on inadequate investigation of alternative approaches as well as consideration of the potential effects of the NPC on libraries, information providers, publishers and other components of the information transfer mechanisms in the United States.

RECOMMENDATIONS

The IIA and its member companies strongly recommend that the Marketplace Approach be given a chance to demonstrate the efficiency and effectiveness of the private sector when given appropriate incentives and when protected from unfair competition from subsidized operations. The benefits of this approach to the taxpayer, the free enterprize system and to the system of information transfer in the United States are substantial, particularly in relation to the alernative of a monolithic, centralized NPC with a dedicated collection of periodical literature. A National Periodicals System based on a "pay-as-you-go" approach for all participants and the principle of full cost recovery could be made to work without government intervention within a very short time, and it could work to meet nearly all of the end users' needs for access to periodical literature.

A less desirable alternative, largely because of the potentially increased cost and the potential for system abuse, would be to create a referral mechanism that could offer the advantage of a central ordering point to coordinate the activities within the system. This alternative should be thoroughly studied to determine its feasibility.

Finally, the IIA recommends that further study of all available alternatives be undertaken to identify the potentially far-reaching effects of developing a National Periodicals System, whatever its ultimate configuration.

IIA SURVEY OF DOCUMENT DELIVERY SERVICES

The following table summarizes the responses of thirteen IIA member companies to the brief questionnaire (attached) prepared in response to a request for information by Arthur D. Little, Inc. The companies' responses are combined into three categories as follows:

Category I Firms:	Those which have substantial dedicated collections and provide document delivery services.
Category II Firms:	Those which operate abstracting and indexing or data base publishing activities and provide subscribers and others document delivery services based on the coverage of their data base.
Category III Firms:	Those which offer only a document delivery service without maintaining a collection.

All full questionnaires have been submitted to Arthur D. Little, which will incorporate them or further analysis of them in their forthcoming report to NCLIS.

EXHIBIT A

A. D. Little requests answers to the following by July 25. Contact Susan Crooks, 617/864-[illegible]770, A. D. Little, Acorn Park, Cambridge, MA 02140. Please send IIA a copy.

QUESTIONS FOR PRIVATE SECTOR DOCUMENT DELIVERY SERVICES.

1. Please describe your collections (size, number of articles, number of serials, back to Vol1 No.1?, media: paper, microform, computerized)

2. What finding tools/catalogs do you use?

3. Do you fulfill requests arising from on-line searches? What relationships do you have with on-line data base distributors? (Lockheed, SDC, BRS). Percent of requests arising from such distributors?

4. Do you overlap other competitors or public sector collections/sources of supply? Which?

5. Are your services targetted to a specific market? Yes___ No___ Which Market? Which types of marketing channels used:

6. Do you operate a vault or other preservation effort to maintain collection?

7. Number and types of publishers represented in your service.

8. Price/turn around time sensitivity of categories of requests serviced?

9. Do you operate deposit account system?
   Do you charge per document?
   General price range $3-5___ $5-8___ $8-12___ Other___ (specify)

10. Do you plan to offer full text online services?
    Other electronic information delivery services?

11. Are you registered with the Copyright Clearance Center?
    Do you use it?
    Do you have copyright permissions from Publishers?

12. Number of requests filled in 1979
    ___ up to 10,000 ___ up to 100,000 ___ over 100,000

13. % of request received by telephone ___% Mail _____% Online _____% Other_____%

14. Percentage of requests fulfilled ______% Forwarded to other sources _____%
    Returned unfulfilled_______%

15. Turnaround time: 24 hours_____ 48 hours______ 72 hours ______ more_______

NAME OF PERSON FILLING OUT QUESTIONNAIRE:_________________________________

COMPANY____

TELEPHONE_______________ TITLE_________________________

IIA SURVEY OF DOCUMENT DELIVERY SERVICES

	1 Collection size	2 Finding Tools	3 Online Search Requests	4 Competitors	5 Specific Markets
I.	Three reporting. Total collection 19,700. Inkprint and microfilm. Overlap not defined.	Various tools.	Use SDC. Usage, while growing, is now about 5% of requests.	Many competitors, private and public	Markets vary, but marketing includes: Personal contact, telephone sales, direct mail, advertising, subscriber service, catalog promotion, trade shows, intermediaries, online users.
II.	Five reporting. 1500 journals plus 105,000 articles. Inkprint and microfilm.	Principally own A & I Service.	Use electronic mailbox. Have database online.	Little or no competition for journals covered.	Wide variety of marketing approaches also.
III.	Five reporting rely on wide range of collections.	Use all available tools.	Some use of electronic mailbox, but do not have databases up.	Lots of competition from libraries and public sector.	General markets and range of marketing services.

	6 Vault Preservation	7 # & Type of Publishers	8 Price/Turn-around time Sensitivity	9 Deposit Acct. Per Doc. Charge price range	10 Full text Online/other Electronic
I.	One operates a sophisticated vault; one has no vault; and one is beginning to preserve collection.	Thousands of publishers.	Time sensitive rather than price.	Offer deposit acct. $4.50 - $6.00 Many variations due to length, full issues, duplicate copies.	Facsimile plus some full text plans.
II.	No vaults.	Have established relations with publishers.	No comment.	Operate dep. accts. Prices in the $5-8 range.	No full text-these are A & I services. Some facs.
III.	No vaults	NOT APPLICABLE	TURN-AROUND TIME Important	Great diversity of pricing to meet market need: by Sources: Local - less; Distant - More; Staffed - Less; unstaffed - more. Turnaround time premiums common. Telecopier coming into use. Dep. accts. available.	No interest in online.

	11 CCC Reg? CCC Use? Permissions	12 Number of Requests	13 % Filled % frded. % retnd.	14 % Phone % Mail % Online % Other	15 Turnaround Time
I.	Split between permissions and CCC.	1 over 100 M; 1 Proprietary Information; 1-5,000 per month.	Average filled 86%. None frded.	Most by Mail, One listed 75% Phone.	24-48 hours.
II.	Split between permissions and CCC.	Large use reported on special collections Two were in the 60,000 to 100,000 range.	Ave. 80-85% filled.	Mail & Tel.	24-48 hours.
III.	Split on use of CCC & permissions.	1 over 100,000 1 at 60,000 others up to 10,000/yr.	Lowest fill 85% One retnd. only 1%.	Ph. & Mail about equal.	Local 24-48 hours. Distant 3-5 days.

Miscellaneous (4 additional responses)

1. Document fulfillment reported by one firm to be limited to special orders for foreign clients.
2. Document fulfillment reported done only under contract for operation of government clearinghouse. No effort was made to identify and quantify this kind of operation, but it is substantial, involving literally hundreds of such operations nationwide. These set up special collections to serve specialized clienteles.
3. Two firms reported large in-house service activities limited to serving constituent elements of parent corporation. One covered over 9,500 journals, the other over 3,000. From these, 80-85% fulfillment was reported. This fulfillment rate in these collections confirms that major document needs can be met from the less than 20,000 titles currently covered by private sector firms.

Senator **Pell**. Thank you, Mr. Willard.

Mr. Willard, as you know, the White House Conference will take place next month, and I would imagine the subcommittee would have time to consider its recommendations and views in regard to an NPC.

You referred in your testimony to the Arthur D. Little study on the periodical center. What is your interpretation of the findings of that study?

Mr. **Willard**. I think there are a couple of points about this study. First of all, it was done extremely rapidly, but yet, within the 6 weeks that it was done, a great number of critical points were raised that the study team felt had not really been addressed.

The study proposes and evaluates three alternatives. As Chairman Benton indicated, these included a marketplace approach (system A), that we support; a highly centralized system (system B), which was the basis for most proposals, or was the subject of most discussions up to this point; and a decentralized switching mechanism (system C).

It is interesting to note that the Arthur D. Little study clearly pointed out that the centralized approach was wrong. It characterized it as an idea whose time has come and probably gone.

It is also very important to note that no call was made between the A and C models, the nonintervention marketplace model and the centralized switching mechanism.

So I think the fact that a study group as renowned as A. D. Little is able to look at this—and they bring with them a broad perspective on library and information issues—and that they are unable in this short time to evaluate and select the best of the alternatives, points out more and more why the NPC is not something that should be rushed through quickly.

Senator **Pell**. Well, as you know, many libraries find they cannot afford to maintain periodical subscriptions, and once lost, such periodical collections cannot later be made complete.

What alternative to a periodicals center do you suggest?

Mr. **Willard**. Specifically, we recognize that the marketplace—and this consists of the existing libraries, the nonprofit institutions, and the for-profit sector that is represented by our association—represents in its totality an NPC. These elements represent all of the resources that can satisfy the need for access to periodical literature.

The problem is getting to it. The problem is how do I, when I have a particular request, know that I can either go to my own library, or that I can ask my library to borrow from another library—an interlibrary—loan, or that I can ask my library to use, or I can myself use, the services of the for-profit sector.

There has been a great reluctance—and understandably so—on the part of the private sector to improve capabilities in these areas. We have lived under the threat of a potential NPC, specifically a very centralized NPC, which is the plan that has been on the table most of the time we have been debating this issue. We see this proposal as something that would very seriously endanger the profit opportunities of our members.

Obviously, in the face of such a threat, intelligent businessmen are going to then redirect their activities to other opportunities. In the absence of an NPC, and in the absence of a viable NPC proposal, I am confident that the members of our association would just rise to the opportunity and would be offering ever better services that could then meet the needs of improving access to periodical literature.

Senator PELL. Thank you very much.

Senator Stafford?

Senator STAFFORD. I have no questions, Mr. Chairman.

Senator PELL. Senator Schweiker?

Senator SCHWEIKER. No questions

Senator PELL. Thank you very much, Mr. Willard, for being with us.

Our next witnesses are a panel on international education. Dr. Peltason, president of the American Council on Education; Dr. Martin Meyerson, president of the University of Pennsylvania, and Tracy Gray, executive director, Center for Applied Linguistics.

Ms. OWENS. I would like to assure the Chairman that I am not Jack Peltason, nor am I posing as Jack Peltason. However, I am substituting for Jack from the American Council on Education.

Senator PELL. Thank you.

Welcome. I particularly want to welcome Dr. Meyerson here. He knows the regard I have for him. Some years ago, I recommended him for the Chairman of the National Endowment for the Humanities. The administration did not take that advice at that time, and the job is being done very well by Mr. Duffey, I would add. But my regard for Dr. Meyerson is very high, indeed.

Senator Schweiker?

Senator SCHWEIKER. Mr. Chairman, I would like to join in on welcoming Dr. Meyerson. I am delighted you think so well of my constituent, because I do, too. In addition to being the president of the University of Pennsylvania, he really has great expertise in the field of international education. I think that Penn has done an outstanding job in this area. I know that in the mideastern and near eastern studies field the graduates of Penn are well known for their knowledge and expertise. I think a tremendous amount of this credit goes to Dr. Meyerson, so I am glad to join with you in welcoming him.

Senator PELL. Thank you.

STATEMENT OF BECKY H. OWENS, DIRECTOR, OFFICE ON INTERNATIONAL EDUCATION POLICY, AMERICAN COUNCIL ON EDUCATION; TRACY GRAY, EXECUTIVE DIRECTOR, CENTER FOR APPLIED LINGUISTICS, ARLINGTON, VA; AND MARTIN MEYERSON, PRESIDENT, UNIVERSITY OF PENNSYLVANIA, PHILADELPHIA, PA.: A PANEL

Ms. OWENS. Thank you, Mr. Chairman.

I am Becky Owens. I am the director of the office on international education policy at the American Council on Education.

I am also speaking on behalf of the American Association of State Colleges and Universities, the American Association of Community and Junior Colleges, the National Association of State Universities and Land Grant Colleges, the Association of American Universities, the Association of American Colleges, the American

Association of Colleges for Teacher Education, and the Council of Graduate Schools in the United States.

Mindful of the chairman's admonishment to be brief, I would like to submit my written statement for the record and to briefly summarize those remarks at this time.

Mr. Chairman and members of the subcommittee, we welcome the opportunity to present our views on the important legislation which is being considered and the major legislative changes which are proposed.

We view the effort to extend and expand the international education authority as a very timely opportunity and hope that in the words of Pogo, this does not become "an insurmountable opportunity".

The Federal partnership with our colleges and universities in international education began some 20 years ago. It was a partnership forged in response to a crisis, and the relationship between the Government and the institutions has existed on a crisis basis ever since.

It has been an evolutionary process, which Prof. Richard Lambert of the University of Pennsylvania compares to slash and burn agriculture, in the sense that new programs are often forced to rise from the ashes of the old.

Over this troubled history, there have been those within the Federal Government, primarily the administration, who from time to time have sought to terminate the program in the mistaken belief that it had served its purpose.

We firmly believe that the need for international programs has never been stronger, as America is more closely caught up in the affairs of other countries, and indeed, when the fate and fortunes of America are clearly linked to those of other nations.

The Federal investment in international education has been a productive one. It has spawned a national resource of over 100 language and area studies centers, which have been widely emulated and used as models for other countries throughout the world. At present, only 85 of those centers enjoy some measure of support, and the Federal support which is allocated pays for only 10 to 20 percent of the operating costs of these programs.

We believe that the urgent challenge facing international education today is to begin a new and effective partnership between the Federal Government, the colleges and universities, and the schools.

In order to build upon the efforts to date and to enable the American public to cope with the reality of increasing interdependence, there is a twofold national need which must be addressed in the legislative mandate for international education.

The Nation needs both international specialists and international generalists. The specialist category would include language and area specialists, to be sure, but also experts on world problems, interstate relations, and the like.

The second category would include an internationally aware American public, undergraduate students, persons in the professions, such as journalism, business, and most especially, the teaching profession. It is our judgment that these needs can be effectively met through the legislation currently before this subcommittee.

Of the three proposals before the subcommittee—NDEA title VI, the administration bill, and the bill reported by the House Committee on Education and Labor—we strongly prefer H.R. 5192.

Both the administration and the House bills propose the consolidation and strengthening of existing legislative authorities in title VI of the Higher Education Act, and simultaneously propose the dissolution of NDEA title VI. Because of the unique role and responsibilities of U.S. colleges and universities in international education, we feel that the previous absence of an international education mandate within the Higher Education Act has been a stunning omission.

The fundamental nature and scope of higher education embraces an international dimension upon which the Nation depends. For example, our colleges and universities insure the Nation's scientific strength and maintain ties with the scholarly community around the world, train the Nation's businessmen and women to compete effectively in the international arena, train our journalists to report and interpret international events, provide technical assistance to the developing countries of the world, train the Nation's teachers, undertake research on other areas of the world, and the like.

Thus, we view the incorporation of an international education mandate in the Higher Education act as consonant with the purpose of this Act, to foster and enhance those elements of higher education which serve the national interest.

In addition, we feel that the original purpose of title VI of the National Defense Education Act has been adequately served over its 20-year existence. Within a very rapid span of time, a generation of experts and scholars knowledgeable about other nations and cultures and fluent in the languages of those countries was created. This has been and continues to be a vital national resource.

At present however, NDEA title VI remains as the last vestige of an earlier cold war era, remaining on the books long after science programs of similar national import have been incorporated as priorities within more contemporary laws.

New challenges now face international education and indeed, the Nation itself. For international education to continue to serve the Nation, the realities of interdependence—nowhere reflected in title VI—and the international education programs authorized by the Congress must be brought into closer alinement.

The proposed new authority would ably serve this purpose.

We have other specific points that validate our preference for H.R. 5192, which are included in the full statement, and I would like to urge the consideration of the subcommittee of those specific points.

Thank you.

[The prepared statement of Ms. Owens follows:]

TESTIMONY OF BECKY H. OWENS, DIRECTOR
OFFICE OF INTERNATIONAL EDUCATION POLICY
AMERICAN COUNCIL ON EDUCATION

to the

Subcommittee on Education, Arts, and Humanities

October 4, 1979

Mr. Chairman and members of the Subcommittee:

I appreciate this opportunity to testify on behalf of extending and expanding the authority for international education. The observations in this statement reflect the views of the American Council on Education and its member associations* which together represent the nation's colleges and universities. We are hopeful that the legislation this Subcommittee reports will give new recognition to the vital importance of international education in preparing America and its citizens for the challenges of the coming decades.

As the end of the Twentieth Century approaches, the dominant trend in international relations is clear. The insularity of the previous century is no longer, nor will it ever again be, a viable international posture for the United States. Our multinational corporations continue to stretch their strands of influence throughout the far corners of the globe; necessity forces our security system to function on a global stage; jets and communications satellites transport people and information to and from distant places as if they were neighboring towns; the tangle of world finance propells us ever-closer toward a global economic system; and the persistent energy, environmental, population, and climatic crises defy resolution on a nation by nation basis.

Curiously, Americans have been negligent in facing up to the international facts of life. Our leadership at times has been similarly perplexed by the

2/

politically and psychologically sensitive issue of interdependence. Yet, in order for the United States to maintain its strong and commanding influence in the international arena, interdependence is a reality which must be addressed. The impact upon the United States of this interdependence among nations is already manifested in very substantial ways. For example:

- There are 156 sovereign nation states in the world investing over $350 billion dollars in armaments. The United States accounts for over half of all such sales. Since 1954, one country per year on the average has gone nuclear. By the 1980's, there can be close to 400 installed nuclear power reactors in 28 countries.
- U.S. prosperity has become increasingly intertwined with the growth and stability of the less developed countries. Between the early 1970's and 1977, sales of U.S. goods to LDCs grew by 22 per cent per year, as compared with 15 per cent for sales to developed countries. In 1977, the LDCs bought $42 billion worth of U.S. merchandise -- or about 35 per cent of total U.S. exports -- including two-thirds of all U.S. motor vehicle exports, 50 per cent of our wheat exports, 60 per cent of our cotton exports, and 70 per cent of our rice exports. We depend on LDCs for over two-thirds of our demand for bauxite, tin, natural rubber, and other strategic materials.
- One in six Americans owes his or her employment to foreign trade. So important is foreign trade to the United States that 23 states maintain export offices in Europe, and 3 in Japan. The total value of U.S. imports and exports exceeds $100 billion dollars.
- The United States is a nation of immigrants, now no less than in earlier years. One third of new U.S. population growth stems from immigration, discounting the presence of some 10 million illegal aliens. One of every 50 Americans is foreign born.

- Direct foreign investment in the United States increased 50% from 1973-1976. Volkswagen's $300 million dollar plant in New Stanton, Pennsylvania employs over 4,500 people. Honda Motor Company has a $25 million dollar operation near Columbus, Ohio. Bantam books, Keebler Cookies, and even Alka-Seltzer are all the products of foreign-owned companies. Conversely, one quarter of each new U.S. dollar of direct investment goes abroad. Of the 500 largest U.S. industrial corporations, many make over 50% of their profits overseas: International Harvester, 75%; Libby, McNeil and Libby, 62%; Gilette, 61%; Otis Elevator, 60%; Pfizer, 60%; Coca Cola, 59%; Dow Chemical, 57%; IBM, 54%; and so on.

- Much of the attention of the 96th Congress will be upon issues and problems of foreign policy: the events in Iran; relations with Peking and Taiwan; Korea, Mexico, and Africa; Salt II; our oil supplies; the new world trade treaty; peace negotiations in the Middle East; human rights; refugees; terrorism; and Soviet troops in Cuba.

Clearly, such evidence of the close relationship the United States maintains with the rest of the world challenges us to provide imaginative policies and thoughtful leadership. Many of the global interactions of the future will be conducted outside the traditional government-to-government diplomatic channels. Recent weeks have witnessed separate journeys to the Middle East by two distinguished leaders of the U.S. Black community, to share unofficial insights with Arab leaders on a negotiated peace settlement. The daily intercourse with the rest of the world will also involve all manner of ordinary U.S. citizens -- businessmen, lawyers, labor leaders, educators, scientists, bankers, and students. To be successful in these dealings with the world beyond our shores, Americans can no longer afford the dangerous assumption that everyone who counts can speak English, or that the values, motivations, and goals of others are similar to our own.

In recent years, the U.S. educational system has made little progress toward the goal of preparing citizens for effective coping in an interconnected world.

4/

Once strong, American international education efforts have been drifting with little national attention and less commitment.

Simple statistics highlight this problem. From 1969 to 1976, enrollments in college and university foreign language courses dropped more than 30%. The State Department recently eliminated its foreign language requirements for Foreign Service Officers because it was unable to recruit sufficient numbers of people with foreign language skills. Among undergraduate students, only one in twenty enrolls in a course which focuses upon other nations or cultures. Fewer than 5% of the teachers being trained today have any exposure to international content in their preparation for teacher certification. Little more than 1% of college and university faculty members are abroad each year.

There are numerous reasons for these setbacks and deficiencies in the educational record of achievements with respect to international education. Working in partnership with the federal government as a response to Sputnik in 1958, the nation's colleges and universities mounted an effort which resulted in the expansion of 40 language and area studies centers to an eventual 105 such centers by 1969. This growth was made possible by the concentrated infusion of federal funds to the institutions under Title VI of the National Defense Education Act. A similar infusion of funds was made during this period by private philanthropy -- notably the Ford Foundation, which invested an average of $22 million dollars per year in this field throughout the 1960's. However, from the benchmark year of 1969, federal and foundation priorities shifted away from international education to pressing domestic matters, and the gradual erosion of these programs was begun.

Despite the fact that the 1970's heralded the arrival of America's inextricable involvement in international affairs, the Executive branch remained insensitive to the need for adequate funding for NDEA Title VI (only 20% of authorized levels at best). To the contrary, the Administration attempted to terminate the program in 1971, only to be overruled by Congressional action.

The original mandate of NDEA Title VI was to train a cadre of U.S. citizens and academic specialists in the cultures and languages of other countries, and thereby promote the growth of knowledge and information about little known parts of the world. In 1972, the legislative mandate was enlarged to include greater emphasis on international studies at the undergraduate level, and activities focused on links to the community, business, and other levels of education. The legislation was amended again in 1976 to include support for initiatives specifically focused on extending and improving citizen awareness of America's global interdependencies.

In the 20-year history of NDEA Title VI much progress has been made in diminishing the parochialism of American education. Yet despite past efforts and accomplishments, the gap continues to widen between the present reality and the urgent national need for international specialists, scholars, and professionals and for citizens knowledgeable about international and global matters.

There are signs of growing recognition that the current state of affairs does not well serve the national interest. The modest appropriations increase for NDEA Title VI in FY 1978 and 1979 has made possible for the first time funds to support the citizen education mandate. More important, the Commission on Foreign Languages and International Studies established by President Carter last year to study the problems of the international education and language study will recommend greater emphasis for these subjects at all levels of formal education, as well as greater emphasis on efforts aimed more broadly at the American citizenry. Finally, the Administration and the Congress have taken steps to broaden and strengthen the international education authority of the Higher Education Act.

It is to this end that the remainder of the observations in this statement are addressed. Three proposals for reform and modification of the international education legislation are currently before this Subcommittee: NDEA Title VI, the Administration bill, and the bill reported by the House Committee on Education and Labor (H.R.5192). In substance and detail, we strongly prefer H.R.5192, which differs significantly from the Administration bill, and which we will delineate more fully at a later point in this testimony.

Both the Administration and the House bills propose the consolidation and strengthening of existing legislative authorities in Title VI of the Higher Education Act and simultaneously propose the dissolution of NDEA Title VI. Because of the unique role and responsibilities of U.S. colleges and universities in international education, we feel that the previous absence of an international education mandate within the Higher Education Act has been a stunning commission. The fundamental nature and scope of higher education embraces an international dimension upon which the nation depends. For example, our colleges and universities ensure the nation's scientific strength and maintain ties with the scholarly community around the world; train the nation's businessmen and women to compete effectively in the international arena; train our journalists to report and interpret international events; provide technical assistance to the developing countries of the world; train the nation's teachers; undertake research on other areas of the world, upon the political motivations and actions of other countries, and on global problem areas; educate and train more than 250,000 students from other countries; receive and exchange scholars among nations of the world; and make vast contributions in the free flow of information across national boundaries. Thus, we view the incorporation of an international education mandate in the Higher Education Act as consonant with the purpose of this act -- to foster and enhance those elements of higher education which serve the national interest.

In addition, we feel that the original purpose of Title VI of the National Defense Education Act has been adequately served over its twenty-year existence. Within a very rapid span of time a generation of experts and scholars knowledgeable about other nations and cultures, and fluent in the languages of those countries, was created, and intolerable surprises such as Sputnik were avoided. At present, however, NDEA Title VI remains as a last vestige of an earlier Cold War era, remaining on the books long after science programs of similar national import have been incorporated as priorities within more contemporary laws. New challenges now face international education, and indeed, the nation itself. For international education to continue to serve the nation, the realities of interdependence -- nowhere reflected in the NDEA Title VI -- and the international education programs authorized by the Congress must be brought into closer alignment. The proposed new authority would ably serve this purpose.

While both the Administration and House bills contain this proposal, as we indicated earlier there are other features of H.R.5192 which we find preferable to the Administration bill. I would like to address these elements specifically.

TITLE

We believe that the title "International and Foreign Language Studies" more aptly describes the programs which the federal government seeks to foster.

PREAMBLE

We feel that the inclusion of a statement of findings and purposes amplifies the current and enduring need for directing federal attention to improving and stimulating international education.

SECTION 602

We believe that the deletion in H.R.5192 of language imposing a teaching or public service requirement on fellowships recipients is a most positive step which takes into account the need to attract into area and language studies students from a variety of professional schools such as law, journalism, etc. However, we believe that the title of this section, Language and Area Centers and International Studies, is not sufficiently flexible to address the growing need for centers which focus upon world or transnational problems. A few such centers have been sponsored by the old NDEA Title VI authority under the rubric of International Studies Centers. We are confident that the President's Commission on Foreign Language and International Studies will document the need for such topical centers, and those which focus on more than one world region, in addition to the continuing need for traditional language and area studies centers.

SECTION 603

Academic centers of advanced research on foreign societies and other topics of interstate relations have depended upon two basic sources of support: the home institution and the private foundations. Only small pockets of contract as opposed to grant funds are presently available for this critical research from the foreign affairs and national security agencies of the government. NDEA Title VI has never sponsored substantive research on foreign affairs. As a result, America's centers of advanced scholarship on arms control, foreign societies, and international security are rapidly eroding. We view the inclusion of this section in both the Administration and the House bill as a most positive step.

SECTION 604

We believe that undergraduate programs in foreign languages and international studies are essential elements of a liberal arts or pre-professional education, and that these programs also contribute materially to education programs at all other levels. Such programs are a critical tool for preparing the thousands of American students who do not proceed with graduate school, to cope effectively with an increasingly interdependent world. We support the intent of H.R.5192 to strengthen and improve undergraduate language and international studies within the nation's colleges and universities, and to foster the growth of new programs within a broader segment of U.S. higher education. We are confident that the President's Commission on Foreign Languages and International Studies will substantiate the importance of undergraduate language and area studies programs, and will call for the reinstatement of course requirements in both these areas.

SECTION 605

We feel that the retention of this portion of the bill as the bill itself moves into the Higher Education Act is wholly appropriate. This important segment of the bill is the key to the dispersion of international education throughout broader segments of American society. Since the need for international education crosses the educational boundary between K-12 and higher education, this portion of the bill establishes that important connection. It would also stimulate increased activity and attention to the important area of undergraduate education.

SECTION 606

We believe that in order to achieve the long-range goal of the internationally-sophisticated American public, some attention should be paid to geographic distribution. We support the intent of H.R.5192 to introduce the element of geographic spread in the non-renewable programs sponsored by this authority. However, we feel that the traditional criteria of excellence and quality better serve the national interest with respect to the language and area and international centers, as well as the centers of advanced research.

SECTION 607

We strongly support in H.R.5192 the reinsertion of this section on research and studies which was deleted from the Administration bill. This section has been transferred from the NDEA Title VI authority where it typically received only about $1 million per year in actual funds. However, we feel this will prove to be a most important vehicle for follow-up studies to the President's Commission on Foreign Language and International Studies. Because we feel that advances in international education require a significant institutional commitment of the colleges and universities, we recommend that this section should also sponsor studies of strategies for increasing institutional commitment. Such strategies might include support for decision makers and administrators, reviews of the accreditation process, and appropriate methods for training faculty.

SECTION 608

We fully endorse the concept of an Advisory Commission presented in H.R.5192. Many of the federal agencies are involved in some aspect of international education, or depend upon the supply of internationally trained individuals and on the products foreign affairs research. Such an Advisory Commission would be useful in ensuring that the national interest is being well served by its international education programs, that neglected world areas or problems are addressed and that serious program deficiencies are remedied. We feel that the inclusion of the Director of the Central Intelligence Agency is inappropriate, and we would strongly encourage the substitution of the Director of the new International Development Cooperation Administration.

SECTION 609

We strongly support the levels of funding authorized by H.R.5192, and in contrast, view the absence of a specific authorization in the Administration bill as unacceptable. Since H.R.5192 would enable substantially greater program authority than NDEA Title VI, we feel the increase in level of funds is necessary to ensure that new needs are not met at the expense of existing needs.

To conclude, for the reasons we have enumerated, we believe that H.R.5192 is superior to the Administration bill, and improves upon both the orientation and design of NDEA Title VI. With the minor changes we have noted, this bill has the enthusiastic support of the higher education community. We believe this vehicle is a significant step toward the achievement of a balanced and responsible federal commitment to international education.

*This testimony is submitted on behalf of:

Association of American Universities
National Association of State Universities and Land-Grant Colleges
American Association of State Colleges and Universities
Association of American Colleges
Council of Graduate Schools in the United States
American Association of Colleges for Teacher Education
American Association of Community and Junior Colleges

AMERICAN COUNCIL ON EDUCATION
ONE DUPONT CIRCLE
WASHINGTON, D. C. 20036

DIVISION OF INTERNATIONAL
EDUCATIONAL RELATIONS
(202) 833-[illegible]

October 29, 1979

The Honorable Claiborne Pell
Chairman
Senate Subcommittee on Education,
  Arts, and Humanities
4228 Dirksen Senate Office Building
Washington, D. C. 20515

Dear Senator Pell:

My written statement for your August 4 hearings inadvertently omitted an important point which should have received emphasis: ACE's strong support of grants to strengthen undergraduate programs in international studies and foreign languages. I have corrected this error by adding the attached language to the transcript of my testimony.

I wanted to note this correction for your attention because ACE gives high priority to advancing both the access to and the quality of undergraduate education. Issues related to undergraduate education are of important concern to the Council and its member institutions. With particular respect to international and foreign language studies, the Council has worked diligently to sustain the commitment, facilitate the diversity, and promote the growth of such programs within undergraduate education.

Undergraduate international studies and foreign language programs serve the nation's interest in a variety of ways. While such programs develop and train those students who will continue language and area studies as a specialization, the undergraduate courses make critical contributions to the education of students who will enter the professions in fields such as education, business, and law, as well as the thousands of students who do not proceed with graduate school, and must take their respective places in an increasingly interdependent world.

Often such courses provide the only means of exposing the vast majority of college students to other languages and cultures. Yet inadequate support and neglect has hampered the development of international education at the undergraduate level. Statistics reveal that less than one percent of the college-age group in the United States is enrolled in any courses which specifically feature international issues or areas; college and university enrollments in foreign languages have declined thirty percent in the last seven years; only eight percent of U.S. colleges and universities now require a foreign language, as contrasted with thirty-four percent in 1966; and fewer than five percent of prospective

The Honorable Claiborne Pell
October 29, 1979
Page 2

teachers being trained today take any courses relating to international affairs or foreign areas and cultures as part of their professional preparation.

In recent years, through some measure of increased federal support as well as increased institutional commitment, progress has been made toward overcoming these educational deficiencies. More than a few colleges are giving serious attention to foreign languages and international studies as essential elements of a liberal education. ACE encourages such efforts, and in view of its long-standing interest in these programs, the omission of its discussion of these issues in the August 4 testimony was unfortunate.

Finally, compelling new programs, such as Section 603, have been added to Title VI of H.R.5912. However, given the great disparity between the authorized and appropriated funds, we would strongly support an effort by the Subcommittee to ensure, through report language, that worthy new programs do not emerge at the expense of established and essential programs.

I appreciate this opportunity to clarify the record, and to reaffirm our deep concern regarding undergraduate i[redacted]ional studies programs.

Respec yours,

Owens

Becky
Directo
Office rnational Education Policy

BHO:abe

Senator PELL. Thank you very much.

Next we will hear from Dr. Meyerson.

Dr. MEYERSON. Thank you, Senator Pell, the senior Senator from my State; Senator Schweiker; Senator Stafford, and ladies and gentlemen. I welcome the opportunity to testify in behalf of strengthening international education in our country.

I am president of the University of Pennsylvania, as you know, but I am here today representing the Association of American Universities, which is the principal association of the research universities of the United States. The Association of Graduate Schools is affiliated with it.

My own work has taken me, both in education and in urban development, to experiences in all the continents of the world. I am also the American Member of the Board of the International Association of Universities.

The legislation before you is vital to the well-being of our country. I wish to second Becky Owens' testimony and our strong attachment to its title on "International and Foreign Language Studies."

A few brief points. In a world in which industry and trade cross national boundaries, when our national interests require cooperation in dealing with almost every country on the globe, universities and colleges for financial reasons—sometimes for others—have not been able to reinforce their global concerns and their global origins.

Senator Schweiker was just with the Pope, a master of many tongues, and we ought to remember that the origins of universities were international as well as religious. The very phrase, "the rights and privileges thereunto pertaining," came from the international passport provided scholars by the early religious universities of the world.

We have all lost ground, and in my university, too, though I think less there. I noted sadly at a meeting last week of businessmen from Europe and the United States that those from Europe could converse in several tongues, and ours in only one, our native tongue.

We have seen the problems of those representatives of our land who did not know Farsi in Iran, or Vietnamese in South Asia. Unfortunately we have seen a one-third drop in language study during the last decade in America's colleges and universities. But for students from OPEC countries, there would not be a significant increase in foreign students in the United States, and it is getting increasingly harder, by the way, for U.S. students to study abroad, for financial reasons and other reasons as well.

Since Sputnik, title 6 has been a beacon for us, a beacon of Federal-university cooperation. And it has been and has 20 years that have enabled 85 foreign language and area centers to flourish.

I recommend H.R. 5192 to you. There are many good reasons to support it. I also would like to point out, Mr. Chairman and members of the subcommittee, that there is a President's Commission on Foreign Language and International Studies under the chairmanship of James Perkins, which will complete its work in a matter of days. Its report will be delivered to the White House shortly. I have seen drafts of it, and I commend it to your attention.

It is essential that the new Department of Education provide a clear voice in amplifying the international dimension to education. That voice ought to be provided for both in the structure of the new department and in the attention it receives.

In section 606 of the legislation, a case is made for geographic distribution. Senator Pell and I at other times have talked about the importance of that kind of distribution.

But I would like to make a special case for certain kinds of activities, which though they ought to be spread across the land, do have to favor excellence. I refer to our language and international area centers, our centers of advanced research. We have got to make sure that quality is preserved in them.

In section 608, an advisory commission is recommended. We support that provision. But I do have questions as to why the head of the CIA, rather than the head of the ICA (International Communication Agency) is specified to be on that commission.

I was delighted to hear the library testimony preceding ours. I would like to point out the terrible problems we all face in universities in getting library materials from abroad. As the dollar changes its value and as inflation increases, for some periodicals and publications we see at least a 20 percent per year increase in our costs, and it is devastating. We have the largest research library in Pennsylvania, and that library is suffering, and suffering badly. It is a national problem for all of our universities.

Important as the legislation is that is before you, even more important is the funding that we hope will follow and provided a basis for it.

Title 6 provides about a quarter of a billion dollars in appropriations over a score of years. Unless we build on that special achievement, we shall never be able to duplicate it.

Thank you all for what you are doing in the legislation that you have before you, not only in international education, but for all of higher education. It is legislation to which we are very much attached.

Thank you, Mr. Chairman, and thank you, gentlemen.

Senator **Pell**. Thank you very much, Dr. Meyerson.

Now we will hear from Dr. Gray.

Dr. **Gray**. Mr. Chairman and members of the Subcommittee, I am honored to appear before the Subcommittee to address the issue of the reauthorization of title 6 of the National Defense Education Act. In keeping with the Pope's visit to Washington, I could not help but be reminded of the story of the State legislator who closed his argument against the allocation of funds for foreign language instruction by declaring, "If English was good enough for Jesus Christ, it is good enough for me."

Funny, perhaps, but we at the Center for Applied Linguistics have found a similar attitude toward language learning among Americans in all walks of life. This is exemplified by the fact that one of the most persistent trends in American education is the decline of foreign language learning and foreign area study.

Yet the teaching and learning of foreign languages are perhaps more important in the United States today than ever before. This leads us to step back and examine the NDEA title 6 program to determine the most appropriate Federal role in meeting the needs and obligations of this country.

I will briefly address three areas. First, language training and area centers. Over the last 20 years, NDEA title 6, along with large investments on the part of foundations and universities of this country, have been responsible for the development of considerable competence in area studies via a network of centers. This allocation of resources raises the dilemma of ensuring adequate coverage of the major regions and languages of the world, while recognizing the importance of producing specialists who are competent to address the spectrum of issues within a specific country. Whether this competence is adequate to meet the demands of today's world situation is a matter of continuing debate.

Some people point to recent United States failures and embarrassments in international relations, saying that had we better programs in area studies, these incidences could have been avoided.

What is not a matter of debate, however, is that too frequently, American area studies personnel do not have the language competence necessary for them to function in a professional, diplomatic or commercial situation.

In short, we at the Center for Applied Linguistics recommend that consideration be given to insure that graduates with advanced degrees from area studies centers have adequate language competence in at least one of the languages from their region of specialization.

The second issue is research and evaluation. There continues to be a general consensus among educators and practitioners as to the importance of research and evaluation in the fields of language training and assessment. We are concerned that the administration's proposed legislation does not carry forward section 602 of NDEA title 6.

820

While we understand that this was an oversight, the importance of this section cannot be overemphasized. One need only peruse the list of completed research and instructional materials resulting from NDEA-funded projects to appreciate the crucial nature of this legislative component.

In my prepared testimony, I address some of the outstanding research issues confronting the field of language teaching, but time does not permit me to address these in detail. In terms of research priorities, there continues to be a critical need for: One, more specific and systematic needs assessment to describe patterns of language use in various settings across a variety of tasks; two, indepth research projects to examine the interaction of the good language learner and the effective language teaching program; and three, effective evaluation models to assess language learning. In short, the need remains to establish a means of assessing the capability of language training programs to insure their future productivity. I will now move on to the final issue, which is oversight of NDEA title 6.

The President's Commission on Foreign Language and International Studies is responsible to recommending ways to extend the knowledge of other civilizations to the broadest population base possible and to build these topics into the general curricula for students of all ages.

It seems logical that NDEA title 6 should serve as a legislative tool to make that charter a reality. However, the proposed plan to incorporate title 6 under the Higher Education Act would substantially weaken the intent and scope of this legislation. There are several reasons why NDEA should continue as an independent piece of legislation outside of the Higher Education Act.

There is a general consensus that the greatest unmet need, in terms of foreign language study and international education, prevails at the kindergarten through 12th grade level. The proposed legislation intends to address this need by including section 603, which provides for elementary and secondary education programs. The problem arises, however, in that the parameters of higher education generally include neither kindergarten through grade 12 nor nonformal education programs. In addition, it seems unreasonable given the zero-based budgeting process to require these important NDEA elementary and secondary projects to compete with higher education projects: the former predictably will lose in the race for higher priority status. If these projects are to be transferred, a reasonable solution would be to move them under the authority of the Elementary and Secondary Education Act. It should be noted, however, that this is the first year that these programs have been funded. It seems premature at this point to move them from title VI, until there is feedback from the field attesting to their worth. Thus, there are two forces at play: the growing recognition that foreign language and international studies are important for students at all levels, juxtaposed with the proposed legislation to subsume NDEA title VI under the Higher Education Act.

Thus, in conclusion, we propose that the change in legislation for NDEA will only serve to confuse the issue. We strongly recommend that the legislative intent of this bill will be preserved, and it will better serve the nation if it is kept within the context of NDEA Title 6, rather than amended to the Higher Education Act.

Thank you, Mr. Chairman.

[Information supplied for the record follows:]

Established [illegible]

CENTER FOR APPLIED LINGUISTICS [illegible] North Kent Street, Arlington, Virginia 22209

Telephone (703) [illegible]

Cables CENTAPLING

DATE: October 16, 1979

TO: Senate Subcommitte on Education, Arts and Humanities,
Claiborne Pell, Chairman

FROM: Peter A. Eddy, Center for Applied Linguistics

SUBJECT: The state of foreign language instruction in the U.S.A. today:
A. How foreign language teaching in the U.S.A. got into the present grave situation
B. What should be done to improve the present situation
C. Why NDEA Title VI should not be absorbed by the Higher Education Act at the present time

→Follow up to testimony of Dr. Tracy C. Gray, Center for Applied Linguistics, given before the Subcommittee on Education, Arts, and Humanities of the Committe on Human Resources, U.S. Senate.

A. How foreign language teaching in the U.S.A. got into the present grave situation.

1. The language requirement problem. A large proportion of both college and high school foreign language enrollments in the 1960's was due to the existence of college admission and graduation requirements. These requirements had been established in the late 1950's and early 1960's. When requirements of all kinds came under fire on college campuses in the late 1960's and early 1970's, language enrollments plummeted, both in high schools and in colleges.

FACT: In 1965, 91% of American colleges and universities had foreign language requirements. By 1978, this figure had dropped to 61%. Although the matter appears to be under discussion on many campuses, there are no concrete signs that a large number of colleges plan to reinstate the foreign language requirement, despite the actions of several prestigious universities (e.g. Harvard, Berkeley).

2. The "foreign language as an elective syndrome." The passage of the National Defense Education Act gave the study of foreign language a more prominent place in the secondary and post-secondary curriculum than it had previously. As the effect of the NDEA priority placed on foreign language instruction has diminished in the 1970's, the conception of foreign language as an elective, (i.e., music and art) has become predominant once again. While some states have listed foreign language among the basic skills, few have allocated basic skill funds to the improvement of foreign language instruction. As school budgets shrink, electives are the first courses to suffer either curtailment or elimination; all too frequently, language courses figure prominently among those curricular offerings either eliminated or cut back. Foreign

language courses are doubly vulnerable because language instruction demands small classes if students are to master a foreign language which includes learning to understand, speak, read, and write it. Because of increasing class size in both secondary and post-secondary language courses, elementary and intermediate classes are often frustrating experiences for the potentially good students because they do not get the chance for active communication practice. Upper level courses are often eliminated because student registration is not sufficient to warrant the effort. It is not surprising that the mediocre foreign language skills of American secondary and college/university graduates has been documented repeatedly by studies of potential employers of this skill in both government and the private sector.

FACT: In a recent nation wide poll, fewer than one in ten Americans responded that they had studied a foreign language four years or more, the minimum amount of time to begin to have a usable comptence in that language.

3. As with teaching staff in other disciplines there has been a dramatic rise in the percentage of tenured teachers at both secondary and post-secondary levels over the past ten years. These individuals have very little incentive to engage in professional development to better their skills and their financial position. In addition, with dwindling secondary school enrollments, teachers of foreign languages are increasingly hired on a part-time basis. Also, teachers of other subjects with minor concentrations (sometimes no more than two or three college courses taken ten years ago), are pressed into service as part-time foreign language teachers.

FACT: In Indiana, 49% of the French teachers taught that language full time in 1972-73; by 1976-77, the figure had dropped to 38%.

4. The "what good is it to me?" problem. This problem is symptomatic of the underlying American attitude that what this country has to offer is so superior to the rest of the world that foreigners had better learn our language to reap the benefits from the U.S. Today, small and middle size American businesses, increasingly forced to look abroad for new marketing opportunity, still believe that American products, marketed in the American way, using the American language, will be irrestible to potential foreign customers. While this may have been the case ten years ago, evidence is accumulating that will prove this to be erroneous today. It appears that in order to compete with very attractive foreign manufactured goods and services, American business needs to marshal every competive advantage possible. The abilities to speak a foreign language and to understand a non-American attitude toward business can be very important advantages.

FACT: The U.S. Department of Commerce, in the data bank of potential contacts and distributors abroad for American goods and services, does not list the languages(s) of business and translation capability of these foreign contacts.

B. What can be done to improve the present situation?

The President's Commission on Foreign Language and International Studies will issue its final report within a month. It will contain many specific recommendations for strengthening foreign language study in the United States, of which the most important are likely to be the following:

1. Incentive Program. The intent of such a grant program would be to help support smaller class sizes in elementary and intermediate language instruction and insure the existence of more advanced classes in both secondary and college courses. The idea would be to make a "capitation grant" of an amount to be determined for each student enrolled in a given course at a given level. The grant amount would vary according to educational level, the language involved, and how advanced the language course is.

2. In-service Training for Language Teachers. A program of institutes for teachers of foreign languages at the secondary level and a parallel one for those at the college/university level is needed in order to revitalize the teaching core. These institutes would be modeled on the extremely successful ones of the NDEA era, and would attempt to profit from the strengths of the NDEA experience, while avoiding the pitfalls. One of the most valuable aspects of such a program would be the opportunity for some teachers to attend institutes abroad, which would enable them to become acquainted (or re-acquainted) with the culture of the country whose language they are teaching. Studies of foreign language teacher effectiveness repeatedly underline the importance of experience abroad for effective foreign language teaching. This kind of experience, in addition to polishing up foreign language competence enables teachers to up-date their knowledge of the foreign culture.

3. National Research Program in Foreign Languages. Such a research program would gather more comprehensive data than presently available on 1) how many people are studying which languages, 2) where, and 3) level of competence. An important part of this effort would be the development of profiency tests for a number of languages. Such tests were developed for the "commonly taught languages" in the late 1950's and early 1960's, and have reached near total obsolescence, not having been updated in the interim. For example, there is currently no standardized test of French listening, reading, and writing, (to say nothing of speaking) that would be appropriate for use in French language classes at the end of the second year of high school.

4. Foreign language Requirement. There should be a national effort to reinstate the foreign language requirement for undergraduate education. The American educational machine should be persuaded that foreign language study and knowledge is indeed an integral part of basic education, and that an adequately educated individual has some knowledge of at least one foreign language (by contrast, a recent national telephone poll discovered that only 40% of Americans claim to be "familiar with" any language other than English.) If a significant movement toward reinstatement of the foreign langauge requirement were to come about, this would increase langauge study, at all educational levels.

5. Reinstatement of a Foreign Language Leadership Cadre. In order to help bring about change, it is essential to have dissemination and leadership links at the federal, state, and local levels. At the federal level, a bureau of foreign language education should be located within the structure of the new Department of Education. At the state level, curriculum coordinators for foreign languages should be found in every state in the land. Over the past ten years, positions which have formerly been devoted to the supervision of foreign language matters have been "diluted" by many other responsibilities, among them being bilingual education, English as a second language, English language arts, and other unrelated subject areas. This is, of course, not to say that these other areas are not important, it is just that each state department should have at least one full time person whose primary responsibility is to stimulate foreign langauge instruction within that state in any way possible. Finally, local school districts should be encouraged to reinstitute foreign langauge curriculum coordinators.

C. Why NDEA Title VI should not be absorbed by the Higher Education Act at the present time.

1. To incorporate NDEA Title VI into the HEA would be premature at this time for two reasons. First the President's Commission's report will no doubt provide considerable guidance about how to structure the language-related legislation and regulations in the future. Second, the Department of Education will be taking shape over the next several months; it would seem prudent to leave the current legislation as is, because it has proved effective (although underfunded) in the recent past.

2. Some portions of NDEA Title VI are intended specifically for use by constituents at the elementary and secondary levels. It seems evident that such legislation would lose its force if included within an act which is primarily directed toward higher education activities.

PAE:en

Senator **Pell**. Thank you very much. Dr. Gray. Your story about the State legislator reminds me, if Senator Stafford will forgive me, of one of his predecessors who was the delegate to the General Assembly for the United States when we set up Israel, and there was a tremendous quarrel going on between the Palestinians, the Arab countries, and Israel. He wrung his hands, and he said, "Why can't the Jews and the Arabs settle their problems in a truly Christian spirit?" There was very much the same thought there.

I must say that I agree with the points that you all make, and Dr. Meyerson underlined. I think that we as Americans are absolutely myopic when it comes to foreign languages. We are almost solipsists. We think only we exist, and we go abroad, and we take it for granted that somebody speaks English, and we think they are stupid if they do not speak it. When a foreigner comes here, we think he is stupid if he cannot speak English, but we do not recognize that we are the same way when we travel all over the world.

And I think we have gone in reverse in the last 20, 30 years in this regard. I notice in the Foreign Service now there used to be a requirement that you know a foreign language to get into it. That is being wiped out. And I would wager that there is a smaller percentage of people who can speak a foreign language properly—I am not talking about these half-hearted little courses that many high schools have, where they say you know French after 2 years, and yet you would be lost if you were left in Paris for a couple of days—but that the actual knowledge of foreign languages would be less, I would think, in our country today than it was 20 or 30 years ago.

Would you agree with that, or do you think I am overly pessimistic?

Dr. **Meyerson**. Mr. Chairman, unfortunately, you are not, I can use a few illustrations. Our own Foreign Service had to stop requiring foreign language capability for entry into the Foreign Service, because it was not getting sufficient applicants who knew another tongue. This is one example.

I might also point out, by the way, since I mention the Foreign Service, that the largest single employer of those with an international background and a foreign language background is the U.S. Government.

Without question, there has been a very significant decline in those who can use foreign languages.

Senator **Pell**. And I think we have also seen since World War II a gradual sort of increase of the Tower of Babel, I guess, because more and more countries as they acquire statehood take pride in their native language, and so some of the common languages, whether it was pidgin English, whether it was French, whether it was English, have gone in reverse. For example, in India, where English was almost a common language, now they are trying to make Urdu the common language; or in the Philippines, where you had either English or Spanish as a pretty common language, they have gone back to Tagalog. And even in Ireland, they like to go back to Gaelic.

So I would think that we have not only a national problem, but a world problem.

The Commission on Foreign Languages that you mentioned resulted from a hearing that I was, cochairing at the Helsinki Commission, and I think that Commission will do excellent work, indeed.

Do you have any specific thoughts as to how we can change the public mind in this regard? For instance, in your field, Dr. Meyerson, as president of the university, when you got your degree as a doctor, I think you had to know two foreign languages—or maybe I am older than you are. I did not get the doctorate, but my contemporaries used to have to know two foreign languages to get it. I do not think that is the case anymore. What would it be at the University of Pennsylvania?

Dr. **Meyerson**. Well, we preserve language requirements more than other institutions, but even more, we take a very special pride in what we do in languages from parts of the world that are not normally common to our discourse.

For example, under title 6, we have been able to turn our Middle East Center, our South Asia Regional Studies Center, into two extraordinary organizations, not only for the teaching of languages and of cultures, but for serious research on these areas.

We have, for example, in our Middle East Center over 1,000 undergraduates in our courses and over 400 graduate students. I mentioned Farsi before. We have 14 professors dealing with various aspects of Iran.

In the case of South Asia, we have 92 courses available and people who come out of 16 different disciplines. The costs of this are immense. What the Federal Government has been able to provide us has enabled these two centers and our work on the Far East to flourish, even though Federal funds make up a minority portion of our expenditures in these areas. In fact, with that seed money from the Federal Government, we have been able to raise funds from corporations, from individuals, and from foundations.

Senator **Pell**. But that is not the answer to my question. My question was, to obtain your Ph. D. in, let us say, English or in mathematics, you used to have to know two foreign languages as well, as part of the requirements. Is that still the case, or how many foreign languages do you have to have to get your Ph. D. in English, for example?

Dr. **Meyerson**. Well, typically, you need to know one foreign language very, very well, rather than the two of an earlier time. But this depends on the specific thesis topic that you take. If you are a graduate student concerned with, let us say, the relations between French and German literature, you obviously would have to know both those languages. But the typical pattern today is one foreign language in depth rather than the two that you described of an earlier time.

Senator **Pell**. Which was required.

Dr. **Meyerson**. Yes.

Senator **Pell**. And when you, Dr. Gray, got your doctorate, what were the foreign language requirements there?

Dr. **Gray**. I received my doctorate at Stanford, and there was only one language requirement. I think that you will see, however, is that many universities across the country are gradually returning to this requirement. Harvard is one such university. The fact remains, however that there is still a general decline in foreign language teaching across the country.

Senator Pell. To my mind, nobody should have a university degree at all, an A.B., without one language, and a graduate degree without two.

Ms. Owens. If I may say, I do not think that other universities are so quick to join Harvard on the bandwagon, and I do believe that what Dr. Gray referred to was a move to introduce language requirements again at the undergraduate level. More typically, at the graduate level, there is a requirement for only one language. But virtually no requirement exists any longer at the undergraduate level within any of our Nation's colleges and universities.

What this does—and it is difficult to say whether this is a percolate-up effect or a trickle-down effect—is to affect all levels of language study. The President's Commission will have, perhaps, the best new data on the whole area of language training and methodologies useful in teaching languages.

But it is clear that we are not starting language training early enough. There was a program some number of years ago, sponsored by the Federal Government, entitled "Foreign Languages in the Elementary Schools." There was never any thorough review of the success of that program, and unfortunately, it has simply been allowed to expire without any analysis of whether or not it was effecitve or useful.

The President's Commission also has flirted with the idea of recommending colleges and universities to require languages, and I believe the Commission will make such a recommendation despite the fact that it will be difficult to impose either as an entry or an exit requirement with so little prior preparation for most students at the present time.

Senator Pell. Thank you.

Senator Stafford?

Senator Stafford. Thank you, Mr. Chairman.

Talking about languages causes me to comment, being a Vermonter, that apparently, three are necessary if you go from my part of the country into French-speaking Canada, because I saw a sign up there recently where French is the basic language, which said, "English spoken; American understood."

I will comment further that in the field of international education, particularly lately in Mideast politics and the representatives of Mideast nations, there can be no more concentrated an educational experience for a Member of the American Congress than to attend one of the spring or fall meetings of the Interparliamentary Union, an organization which has been in existence since the late last century, to which the United States has belonged through most of its existence, and to which we send delegations twice a year. We were just in Caracas, Venezuela, at one of the meetings, and now about 80 nations attend. This Senator served on the Drafting Committee for a Mideast Resolution, with representatives of all of the nations there involved. I have had this experience now for at least 4 years, twice a year, and it certainly is a concentrated dose of education in Mideast politics. And once again, the fact that we Americans share with the Russians the fact that neither of us seem to speak foreign languages well, the Russians even less than we, I think, but the rest of the participants usually speak fluent French and some English, and often one or two other languages that are beyond our expertise.

So I would recommend to my colleagues that if they want a quick education in international affairs and how the rest of the world looks at us, that they attend meetings of the Interparliamentary Union.

Mr. Chairman, I have a statement of about three pages that I would ask unanimous consent be placed in the record at this point.

[The statement referred to follows:]

S.311

October 4, 1979

Statement for Senator Stafford:

On merging NDEA into HEA

Mr. Chairman, the proposal to move the NDEA foreign language and area study programs into the Higher Education Act is potentially very important. Doing this could be very positive. However, we need to be sure, when we move an established program, that we do it in the right way and that we do not jeopardize our currently very beneficial programs.

This Committee traditionally has assumed that the international dimension of higher education will be covered in NDEA.

That arrangement misses the central point that the international dimension is integral to all of higher education and the very mission of the university, cross-cutting many of the concerns of the Higher Education Act. In the world of the universities, the international perspective is not a thing apart, and it should fall within our overall assessment of the needs of higher education.

Some factors to consider are these: Our universities are now facing growing financial difficulties which are causing them to cut back programs and be more inward-looking. At the same time, the dollar value of Federal support for the international dimension of higher education has been declining for many years.

What is basically wrong with these developments is that our entire educational system needs to keep pace with this country's changing relationship to the rest of the world, and it is lagging behind, We need to do much better. Expansion of the international dimension is in both our universities' interest and our national interest.

We have not done enough for the international dimension in the context of NDEA. Our support for the foreign language and area study programs and for American learning about the rest of the world should be strengthened significantly.

NDEA was a product of the Sputnik mentality, conceived in an atmosphere of emergency. We have gotten used to it, and it has survived, and there is something to be said for that. If we do move its programs into the Higher Education Act, they must be seen as essential and as contributing to the overall strength of the Higher Education Act. They must also be strengthened. Otherwise there is no point to the exercise, and we might as well leave not-quite-well-enough alone.

I hope our witnesses will comment on the overall wisdom of this proposal.

Senator PELL. Without objection.

Senator STAFFORD. And I will excerpt from that a question I will direct at the panel.

The proposal to move the NDEA foreign language and area studies programs into the Higher Education Act is potentially very important, and doing this could be very positive.

However, we need to be sure when we move an established program that we do it the right way and do not jeopardize our currently very beneficial program.

NDEA was the product of the Sputnik mentality conceived in an atmosphere of emergency. We have gotten used to it, it has survived, and there is something to be said for that. If we do move its programs into the Higher Education Act, they must be seen as essential and as contributing to the overall strength of the Higher Education Act. They also must be strengthened. Otherwise, there is no point to the exercise, and we might as well leave not quite well enough alone.

I wonder if any of our panel would care to comment on what I have just said?

Ms. OWENS. I suspect that two of us would, and I may be presumptuous and go first.

I believe, Senator Stafford, that my full statement addresses that question in considerable detail. The higher education community, having given this matter much thought, has come to the conclusion that, done properly, as you point out, this is perhaps an occasion for an open moment in rethinking the national commitment to international education.

We feel that since, as I indicated, higher education is fundamentally international at the heart, that to have a Higher Education Act without an international component is something of an omission. The NDEA title VI law itself, although it had an initial, limited focus on quickly preparing this Nation with a cadre of specialists and experts on other nations of the world, so that future Sputniks would be avoided, has been adapted over time so that it now has a fairly flexible mandate. Particularly in the Higher Education Amendments of 1976, NDEA VI was expanded to include attention to elementary and secondary education, to media activities, and most especially on teacher training and materials preparation, to get at that dimension of international education which the Chairman acknowledged is necessary in his earlier question—the whole level of public awareness.

So the title VI law has improved its range of functions over time, but there has been no rethinking and no recommitment, and no attempt to match national needs in a contemporary sense with a vision of what America will need for the future with what kinds of skills its students will need. Such thinking must incorporate not just those who have traditionally come through the language and area studies centers, but future businessmen and women, journalists, other professionals, as well as the average American citizen, who must be able to support responsibly or challenge the policies of its leaders in the international arena.

Senator **STAFFORD**. Thank you very much.

Dr. **MEYERSON**. Mr. Chairman, I would like to support Becky Owens' comments, and add a footnote to them. I am very sympathetic with Senator Stafford's concern, and I think Becky Owens is as well. She was mentioning the importance of getting the American people very early in life exposed to foreign language study, long before they reach college or university age.

If this were some years ago, I might have some concerns about having an international education provision in a Higher Education Act, because I think in American colleges and universities, we were disassociating ourselves from the concerns of the very young, the elementary and the secondary school children. A great change has taken place. Increasingly, the universities of the country are concerned with the learning process from birth on. The Aspen Institute, for example, is starting a major project currently on the first 20 years of life.

It is in this kind of setting, with this new sensitivity that universities and colleges have to learning for the very young, and for older citizens as well, that universities and colleges are in a particularly good position to play the role we are discussing.

Dr. **GRAY**. If I might make a comment, I sense that I represent the opposition here. In all due respect, Senator Stafford, the Center for Applied Linguistics feels that moving the NDEA title 6 under the auspices of the Higher Education Act will in fact prevent just what Dr. Meyerson was referring to, the development of language programs for elementary and secondary school children.

The research tends to indicate that children up to the age of 12 are really at the best time of their lives to learn a second language. It seems to us that if you wait until they enter college to introduce a second language, what you are really doing is minimizing the possibility of learning to speak a second language. By putting the NDEA under the Higher Education Act, you are going to force the proponents of elementary and secondary language programs to compete with higher education programs which have a much higher priority under the Higher Education Act.

Senator **STAFFORD**. Thank you for giving us both sides of the issue.

Ms. **OWENS**. I do not want to take the subcommittee's time further, but if I may, I would like to respond to that one point, without getting into an extended debate. As I indicated in my statement, the higher education community feels that H.R. 5192 is a great improvement over the administration bill. Both of them have the common feature of moving this title into the Higher Education Act, but one new additive to H.R. 5192 is a clause that would specifically address the need for elementary and secondary language teaching. That is new, and necessary. As I say, we prefer by far the improved version, H.R. 5192, and do not feel that elementary and secondary activities would be excluded from consideration any more or any less than they have been under the NDEA title VI rubric.

We would also be very supportive of an effort to see parallel legislation introduced under the Elementary and Secondary Education Act, as soon as possible, to ensure that these needs are addressed more directly.

Dr. **MEYERSON**. Mr. Chairman, I would like very much to make a claim in behalf of the Association of American Universities, which I believe they will support. If the Higher Education Act includes this international provision, we believe that we will be committing ourselves in the universities to the need of elementary and secondary school training as well.

Senator **PELL**. Thank you very much.

Senator Schweiker?

Senator **SCHWEIKER**. Thank you, Mr. Chairman.

Dr. Meyerson, you made a statement in your opening remarks about possibly a one-third drop in language studies in colleges and universities. I wondered if you have some insight as to what is causing that.

Dr. **MEYERSON**. The decline took place over a decade, and I think this was a fallout of the problems of the sixties, the late sixties. There were fewer and fewer requirements being made of students. And indeed, I used to joke that all you had to do to get a degree was to get your trading stamps for various elective courses, put them in a book and, when you had sufficient trading stamps get your degree. It was in that setting of reduced requirements which Senator Pell was referring to as well, that we moved away from having language requirements.

There is a slow move back toward required courses, but it is a clear move. I think that those of us who are influential in these matters are pushing as hard as we can against the past trend of no requirements.

But to some degree, this has also been a financial problem. It has been a financial problem to teach languages properly outside of a handful of the most common ones. It is difficult, for example, to provide instruction in Chinese today at many of our institutions, and yet for so many reasons, the study of it is vital to the national interests of America.

Senator **SCHWEIKER**. Dr. Meyerson, now many students at the Penn Area Center and what subjects are covered, in the center's programs?

Dr. **MEYERSON**. For example, I commented briefly about our Middle East Center, where we have over 1,000 undergraduates involved, over 400 graduate students. And incidentally, we teach well over 50 languages at the University of Pennsylvania. I do not know how long we can keep doing this. We are very proud that we balance a budget of $400 million a year, but we balance that budget by being tighter and tighter each year in what we can cover. And many people are looking longingly at the funds that are going into the lesser known languages of the world, even though these are languages that are vital for America and all the continents of this globe.

Senator SCHWEIKER. What kind of a problem do we have in terms of the international languages that are available at the junior high school and high school level? In a lot of cases, particularly intermediate schools, it seems to boil down to French and Spanish, with more options as you get higher up in the senior years of school. My question to you is, is there any trend the other way? Do you have any suggestions about what we might do here to broaden that base a little bit—and I realize, it is expensive and cost is a factor too.

Dr. GRAY. If I might address that question, we analyzed the data from the Michigan survey which sought to determine Americans' attitudes toward and their experiences with foreign language studies. The results of that study indicate that in fact, the trend of declining foreign language studies continues and that Spanish and French are the two languages that are most often spoken. There is, however, a slow increase of students who are becoming interested in Chinese and in other less commonly taught languages. How you go about encouraging students to study these languages is part of the problem facing universities today.

Ms. OWENS. If I might make one additional comment, I think there are some stunning exceptions to that. There are very valid reasons for the United States to concentrate on French, as Senator Stafford knows, living in the northeastern part of the United States, and on Spanish. We are the fifth largest Spanish-speaking country in the world. Our population of Spanish-speaking citizens is growing constantly, and may be the largest minority in this country by the end of the century.

We are also still a nation of immigrants. One in five new Americans is an immigrant.

The point that I was about to make is that, as you yourself are perhaps familiar, being the author of the Ethnic Heritage Studies Act, the ethnic communities do have an influence on what is taught in the schools, and there are some stunning exceptions to the teaching of simply French and Spanish in the elementary schools, junior high schools, and high schools.

I read just recently that there are I think seven programs in the junior high schools for Russian language study in the Columbus area, precisely because of the Slavic population in that region. Thank you.

Dr. MEYERSON. Senator Schweiker, on your question, and having just come from meeting with the Pope as you have——

Senator SCHWEIKER. And he speaks 10 or 11 languages, which is very impressive to me.

Dr. MEYERSON. Exactly. And some of us will be with him at a convocation at Catholic University here on Sunday morning. I have no idea what he means to say, but I think he is a living example to the world of how significant it is for anyone in any kind of leadership position to know tongues besides one's native tongue.

Senator SCHWEIKER. A very good point.

Thank you, Mr. Chairman.

Senator **Pell**. Thank you very much, Senator Schweiker.

Senator Javits?

Senator **Javits**. Dr. Meyerson, I of course know you very well and have great respect for your opinion, as I have for the other witnesses.

It occurs to me that it may be that this field fails an adequate tie-in with the private sector. American exports now, I think, are coming to close to $100 billion a year. And we have a tremendous communication with foreign nations in addition to our relationship diplomatically.

Now a question. I am a member of the Export Expansion Council just appointed by the President, headed by Reg Jones——

Dr. **Meyerson**. One of our alumni.

Senator **Javits**. Very good. Why isn't that council seized with the problem that you have just outlined, because it is as essential to them as the financing mechanism or any other facilitation for international trade.

Now, do you know of any relationship between business as such, international business, and the study of language?

Dr. **Meyerson**. Well, let me use an anecdote. I serve on the board of a corporation, Senator, that in these days of reverse purchasing, has been bought by a French company. The board of directors consists of half Americans, half Frenchmen. The Frenchmen all speak English as well as French; by and large, the Americans do not.

It would be very appropriate for the American members of that board, as representatives of that company, to learn the tongue of the firm that has purchased this corporation. And I think there is a growing sense on the part of a good many businesses that this must be the case. That sense is also beginning to pervade us in universities.

For example, in our Wharton School of Business, we find more and more students taking joint programs between international relations, including language study, and a business degree. And we begin to find this pattern in a great many other professional and applied fields, as well. There should be no sense that in the university and collegiate world, we are talking only about the most profound scholarship or esoteric directions. We are talking about trying to get students who are going to be working in an interdependent world conversant with that world, both in general terms, but also in language capabilities. But we need far, far more of what you are suggesting, Senator Javits.

Senator **Javits**. Can any of the witnesses give us any suggestions how we could crank something into the law which would enable us to make this tie-in? Let me give you an analogy.

We have a joint work-study program for unemployed youth, which ties in business and the educational institution, and you might do something like that here, if you could suggest something that we could write into the law.

Ms. **Owens**. What I had in mind was something much more modest, Senator Javits. There is, I think, a very positive step taken in the bill you have before you as H.R. 5192, with respect to the fellowship support for students who are pursuing language and area studies. Traditionally in the past in NDEA title VI there has been a requirement which stipulated that recipients of those fellowships to go into national service or into teaching. And the bill before you proposes the elimination of that restriction, hoping thereby to attract students from the business schools, from journalism, from law. That has not been possible in the past, and as I say, it is much more modest than what you are proposing, and I would be happy to think along more ambitious lines and perhaps make suggestions to you later.

I would like also to make you an offer that, hopefully, you cannot refuse; 2 years ago, the American Council on Education studied this issue of business and international education and surveyed, I believe one-third of the Fortune 500 members. I would like to make our study available to you. In that study—which was sponsored by the Exxon Education Foundation—it was learned that business has biases toward traditional language programs at the higher education institution, which relate partly to the need for mobility of their corporate staff abroad from country to country, and the fact that any extensive amount of training might be wasted on a person who was going overseas for a temporary, 6-month or year-long assignment and would then be transferred to another country.

One thing that the chief executive officers did affirm very strongly was that, whereas they thought they might be able to turn elsewhere—indeed, even within their own organizations for language training—the one element that they felt was absolutely essential for their multinational and corporate executives was some sensitivity to other cultures and a great deal more training about other countries and cultures.

Dr. **Meyerson**. Mr. Chairman, just a brief note. At the University of Pennsylvania, we are concerned with making businessmen aware of the nature of other cultures. We are running a series of programs in which, for example, businessmen who are going to Japan can meet with people who understand the culture of Japan, the nature of work in Japan, the value system of Japan, so that before they go the country, they become sensitive to these issues. And we plan to do this for Mexico and for other countries, as well.

But on your specific question on language, I would like to consult with some of my colleagues in the Association of American Universities and we shall get back to you.

Senator **Javits**. Would you each be willing to communicate with us in writing; write me or write the chairman within 10 days.

Dr. **Meyerson**. We shall.

Senator **Javits**. Thank you. I would ask unanimous consent that whatever letters are sent be made a part of the record.

Senator **Pell**. That will be done, and any questions my colleagues wish to ask will be, I am sure, answered by the panel. Thank you very much indeed.

There is a rollcall vote going on, but I think we have just enough time to hear from our final witness today. He is Dr. Kenneth G. Ryder, president of Northeastern University, of which I am proud to be an honorary alumnus, and I thank Dr. Ryder for his kindness to me just about a year and a few months ago.

Dr. Ryder, welcome, and as I said, I am delighted with that degree and that wonderful red robe that you gave me, and Senator

Pastore, my former colleague, is very proud to be a graduate of your university.

Dr. Ryder, we are under a little time pressure, but I know you understand that.

STATEMENT OF DR. KENNETH G. RYDER, PRESIDENT, NORTHEASTERN UNIVERSITY, AND VICE PRESIDENT, COMMITTEE OF URBAN PROGRAM UNIVERSITIES, WASHINGTON, D.C., ACCOMPANIED BY CHARLES COFFIN, DIRECTOR OF GOVERNMENTAL RELATIONS, NORTHEASTERN UNIVERSITY; JIM HARRISON, EXECUTIVE DIRECTOR, CUPU, AND MICHAEL GOLDSTEIN, COUNSEL, CUPU

Dr. **Ryder**. Senator Pell and Senator Javits, I speak to you today and am honored to do so, in behalf of Northeastern University, a large urban university in Boston, Mass., and also as the vice president of the Committee of Urban Program Universities, a group of about 30 universities and colleges which have for the last 3 or 4 years been seeking ways in which the resources of higher education could be brought directly to the aid of the urban areas of the country, areas indeed of increased tension, that are beset by problems.

I come here this morning to speak in behalf of the legislation that has been submitted, the Committee of Urban Program Universities' proposal, the Urban University Grant Act.

We want to express our sincere appreciation to the members of this committee and other eminent Senators who have sponsored the legislation—Senators Eagleton and Javits, Chairman Williams, and a very distinguished cross section of membership in the Senate. We are delighted that there has been a clear manifestation of both bipartisan and broad endorsement of the proposal which has been made.

As we envision it, the Urban University Grant Act will permit and encourage a collaborative effort between city and university, providing an incentive and a focus for a broader and more formalized partnership between the two entities than currently exists. What the city brings to this cooperative effort is, of course, a definition of its needs and the needs of its various constituencies, and what the university brings is a range of resources that can be put to the service of those needs.

Although universities' resources are varied, I think you can group them into several broad categories. For one thing, there are facilities, both technical and physical. Beyond that, there is a concentrated research and idea generation capability which is matched by very few urban government structures. And surely most important, there is a reservoir of vitality, idealism, and initiative provided by students at these institutions.

At Northeastern, we have demonstrated time and again the effectiveness of directing these university resources toward meeting the needs of the city's constituencies.

To give some degree of specificity to the proposal before you, and as an example of what one institution has already in a pilot way, begun to do, let me touch very briefly upon items which are explained in greater detail in the formal statement which I have submitted to the staff for inclusion in the record.

In the last 3 or 4 years, these things are examples. We are launching this fall a course in civic education, consumer protection, and urban ecology for the residents of a local housing project. It will be taught by university faculty; university students will participate, but the subject matter and the frame of the course was designed by the housing tenants themselves.

We are launching this fall a self-help program for the residents of a building called Symphony Towers, which is an elderly housing project close to the university, and this will be aimed directly at trying to deal with a serious problem of alcoholism among elders—a symptom, in some respects, of the loneliness and the alienation that our urban society forces on older people.

We are currently involved in a complete evaluation of the Boston Police Department records. Ten years of police records in Boston have been put on the university's computers and all of the data analyzed by our own center for applied social research. It has already proven immensely valuable for the Boston policy in allowing them to deploy their personnel in different fashions, understand more clearly the patterns of crime, both in terms of location and nature, and in effect, greatly enhance their police effectiveness.

During the past 4 years, students at Northeastern have designed, constructed, and funded the building of specialized playgrounds for blind children, handicapped children, or economically disadvantaged children, in various sections of Greater Boston. With great energy and tremendous enthusiasm, the students have contributed significantly to new facilities for those in need.

At the graduate level, our law school is currently involved in three projects of service to local groups—one at Walpole State Prison, one at Madison Park High School, and one in the nearby neighborhood, so that prisoners, juveniles, and the poor can learn about the law and get assistance in dealing with their legal and constitutional rights.

These are examples of some, and there are others I could state with longer time. Let me conclude by simply saying that these commitments that Northeastern has undertaken are only suggestive of the wide range of needs that exist in our particular community; that there are opportunities available to any activist, higher education institution that looks at its resources with an eye toward how they might best be directed to help benefit the urban community of which it is a part and without which it would cease to exist.

These make no claim to being the ideal or the most appropriate functioning of the proposed urban grant relationship. What suits Boston may be wholly irrelevant to Providence, to Newark, to Pittsburgh, to New York, to San Francisco, or Burlington, Vt. But a concerted effort on the part of urban universities and urban governments, with the assistance of the Federal Government, to redirect toward the city the talent that comes to the university, can do much to enrich the quality of life of both the university and the city it serves.

I would be delighted at this point, Mr. Chairman, to respond to any questions that you might have.

[The prepared statement of Dr. Ryder and information subsequently supplied for the record follows:]

Committee of Urban Program Universities
1300 19th Street, N.W., Suite 220, Washington, D.C. 20036 202/387-2130

TESTIMONY

of

THE COMMITTEE OF URBAN PROGRAM UNIVERSITIES

before

THE SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES

COMMITTEE ON LABOR AND HUMAN RESOURCES

UNITED STATES SENATE

HON. CLAIBORNE PELL, CHAIRMAN

October 4, 1979

Presented by:

Dr. Kenneth G. Ryder, President
Northeastern University
(Vice President, CUPU)

Accompanied by:

Charles Coffin
Director of Governmental Relations
Northeastern University

Jim Harrison
Executive Director, CUPU

Michael Goldstein
Counsel, CUPU

Mr. Chairman, Members of the Subcommittee:

I am grateful for the opportunity to testify before the subcommittee today on a portion of legislation that will have a significant influence on the direction higher education takes in this nation over the next five years, and indeed beyond that.

Before doing that, however, I would like to express my strong personal support for the initiative by Senators Kennedy and Bellmon, which many of you and your colleagues have joined in sponsoring, to redesign the loan programs under Title IV of the Higher Education Act in such a fashion as to make them more rational, more comprehensive, and more helpful to students. I want also to call to your attention the progress which Chairman Ford, your colleague on the House side, has made in moving toward a more equitable formula for determining Basic Grant entitlements by proposing the gradual elimination of the so-called half-cost formula. We must not continue to deny deserved assistance to those students who, by the very nature of their choice of institutions, are least likely to be able to afford the undeniably substantial cost of a college education. I am deeply appreciative to the subcommittee for having asked me to testify tomorrow on the Title VIII provisions of the Act: however, not wishing to test your patience beyond endurable limits, I have declined that invitation and wish only to join with the testimony to be presented tomorrow by Dr. Roy Wooldridge, President of the National Commission on Cooperative Education and a colleague of mine at Northeastern, on behalf of cooperative education, which is clearly a mode of higher education that by virtue of past achievements and future promise merits increased federal support.

I am here this morning to speak on behalf of the Committee of Urban Program Universities in support of S. 1553, the Urban University Grant Act. We also want to express our appreciation for the support which so many Members of the Senate have already shown to this legislation by agreeing to join Senators Eagleton and Javits in its co-sponsorship. Chairman Williams, and Senator Riegle, a member of the full Committee have joined with Senators Inouye, Huddleston, Johnston, Lugar, Tsongas, Moynihan, and Levin in introducing S. 1553. We at CUPU believe that this widespread, bipartisan support augurs well for the Urban Grant Act as does the similarly wide, similarly bi-partisan sponsorship the companion bill, H.R. 3181, has enjoyed in the House, and we urge the Senate Committee to do what the House Committee has already done and order S. 1553 reported to the Senate as part of the Higher Education Act reauthorization bill, largely in the form it now has.

The organization for which I speak and of which I am Vice-President, consists of 31 urban universities, public and private, located in cities throughout the country. The Urban Grant Act would, however, be open to participation by more than 400 urban universities in every state of the Union, working on a host of urban problems in close conjunction with the large and middle-sized cities, the urban counties and metropolitan areas of which they are a part.

The proposed legislation is straightforward. Under its terms, urban universities would file competitive grant applications with the Department of Education, involving proposals for applied research and/or service projects of benefit to the city, county, or other local government of general jurisdiction within the university's urban area.

The legislation requires that the applications be evaluated in large part on the degree to which the affected local government and individual communities are involved in the planning of the project, and the law also assures local government the explicit right to comment on the application.

Urban Grant is not a formula grant proposal. It gives the Secretary of Education broad discretion in approving competitive applications, with the proviso that no more than 15% of the money can go into any one state.

The bill defines an urban university as one that is located in an urban area; one that has the present capacity to provide its urban area with applied research and services; one that has a level of graduate or professional offerings appropriate to sustain the research or services which the project proposes to provide the city; and one that draws a substantial portion of its student body from the urban area where it is located.

We in the urban universities recognize, of course, that providing educational services to the people of the city is our first function. If we are not providing educational services, we are not a university, and if we are not providing them in a marked degree to the people of the city, we are not urban. Members of CUPU believe that the educational function, performed with great distinction by the nationally oriented universities, by the urban universities, by the small four-year liberal arts colleges, and by the community colleges, is and should remain the principle focus of Federal higher education legislation. But we also believe that the applied research and service function of the urban university is one that deserves Federal recognition and Federal support.

We do not anticipate that the Federal government will or should bear the whole financial cost of this kind of town-gown cooperation. On the contrary, the most important long-range contribution of the Federal government under the Urban Grant Act may well be to encourage and to provide examples of close cooperation between the City Hall and the University.

As we envision it, the Urban Grant Act will permit and encourage a collaborative effort between the city and the university, providing an incentive and focus for a broader and more formalized partnership between the two entities than currently exists. What the city brings to this cooperative effort is, of course, a definition of the needs of its various constituencies. What the university brings is a range of resources that can be put to the service of those needs.

Although a university's resources are variegated, and virtually boundless, they can be defined into a few broad categories: facilities, both technical and physical; a concentrated research and idea-generation capability matched by few urban governmental structures; and, surely most important, a reservoir of vitality, idealism, and initiative provided by the students of the institution. At Northeastern we have demonstrated time and time again the effectiveness of directing these university resources toward the needs of the city's constituencies. In order to make clear the range of possibilities that would be available under the Urban Grant Act, I would like to outline briefly just a few of the projects we in Boston have undertaken in the past year or two.

In order to begin the process of integrating into the mainstream of the city's life people who live in the Mission Hill Housing Development, primarily blacks and Hispanics, the University has initiated this fall a course in urban ecology, civic education, and consumer protection. It is taught by a bilingual instructor and meets alternately at the housing development and the university. The course content has been developed in close cooperation with residents of Mission Hill as a response to the perceived requirements of the housing project residents themselves. A measure of the need and desirability of such a course is the fact that 175 tenants applied for the 80 resident openings this year. Each quarter twenty project residents and five Northeastern students will participate in the classes. The students, who are majoring in Human Services, will learn about the problems facing the housing development and will provide tutorial assistance. With about 15,000 public housing units in the city, it is clear that this $28,000 pilot program, whose cost is being shared equally by Northeastern University and the Federal government, barely begins to meet the need. Should the program prove successful, it surely merits expansion and adaptation to other areas of the city.

This past summer, for the second year, Northeastern University has given 100 inner city children an opportunity to spend a week at camp, something many of them have never done before. The families are responsible for $25 of the the $135 cost per child. University funds, along with private foundation support, pay the balance. The children were selected by various Boston agencies to represent a variety of neighborhoods. For the children the goal of the camp was leadership development and intercultural awareness. For the staff of faculty and students from Northeastern's physical education department, the camp, a Northeastern University physical education laboratory located on 200 acres in Ashland, Massachusetts, provided an opportunity to learn the needs of inner city youth and to interact with people from backgrounds and cultures different from their own.

During the past year, the University has also developed a number of programs for the elderly. Cultural, recreation and health programs have been made available to elders living nearby. Of particular relevance to the legislation you have before you today is a proposal developed at the request of agencies serving the elderly in a housing project adjacent to the University campus. The aim of this project is to help train social service personnel and elders themselves to establish self-help programs for one of the great unspoken problems confronting the elderly--alcoholism, a symptom, really, of the loneliness and alienation our urban society forces on older people. By applying the expertise and experience of university faculty gained in past studies of alcoholism in other population groups, we hope to assist in rehabilitiating elders from this tragic and debilitating disease.

Seven years ago Boston State College, Emerson College and Northeastern University funded the Fenway Project, a recreation program run by Northeastern students for people in the Fenway, another neighborhood contiguous to Northeastern's campus, who otherwise would not have access to such services. Only Northeastern continues to support the program financially, but there remain four paid staffers and 15-20 student volunteers who work with such organizations as the YMCA, Symphony Towers Elderly Housing Project, and the Congregational Church to provide easier access to community social service agencies and to organize field trips, arts and crafts programs, and sports instruction for local residents.

All of these projects illustrate ways in which the university's resources can be directed toward developing the potential, power, and productivity of people--young, middle-aged, and old--who now are outside the mainstream of the economic and social structure.

We have also proposed and undertaken projects through which the university's resources have been brought to the assistance of local government units. With its sophisticated computer system and its expert computer data analysis capability, Northeastern University has stored and reorganized the complete 10 year records of the Boston Police Department. That data has been evaluated by the Northeastern Center for Applied Social Research, and the study has resulted in a more effective deployment of police manpower resources, a greater understanding on the part of the police department of the kinds of crime typical of certain areas of the city, and a more useful arrangement of police record keeping. It ought to be noted in connection with this project that the Police Department told Northeastern what it wanted, and our expertise was able to supply the necessary information, not dictate policy. It is important that the university recognize that in any joint project its responsibility lies not in solving other people's problems--whether they be members of the local police department or residents of low income housing projects or handicapped youngsters--but in providing the tools to teach people how to solve their own problems, to empower them to do the job that they themselves recognize needs to be done.

As an outgrowth of our work with the Boston Police Department on the computer program has come what we call the Neighborhood Responsive Policing Program. The program has been developed over two years through the command staff, the Northeastern University Center for Applied Social Research, and the Boston-Fenway Program (a consortium of cultural and educational institutions), its advisory panel, and its consultants. The basic assumptions are: 1) that different urban neighborhoods have different public safety priorities and different policing needs; 2) that a mechanism to articulate those priorities and needs must involve participation of police officers, institutions, and citizens; and 3) that to be effective, new policy directions must be created within existing department policies, command structures, and fiscal resources.

Police District Four has been chosen as the experimental area for the program. The District is a remarkable mix of business, commercial, institutional, and residential life:

some of the largest university and hospital complexes in the nation, religious institutions, museums and musical centers, three large insurance company headquarters, and other, shopping and commercial areas. The residential areas include an impressive diversity of ethnic groups, student, young adult, and elder groups, tenants and home owners, transients and long-term residents, census tracts among the highest median incomes in Boston and others among the lowest.

This program, therefore, addresses the issues that are common to most major police forces in the country, without regard to the structure of policing adopted. Techniques proved successful in the program will be widely applicable elsewhere.

Yet another area of joint action involves bringing university resources to bear on services that city and private agencies in the city ought to provide but simply cannot afford. It is here that the great student resources of the university can be marshalled in ways that are of as much benefit to the students themselves as to the urban clientele they serve. Every year for the past four years the Northeastern University Student Chapter of the American Society of Civil Engineers has selected, designed, funded, and constructed an engineering project that has direct, immediate and continuing benefit to a segment of the city's children. These have included the building of a playground for the blind in conjunction with the Boston School for the

Blind and the building of an urban playground in conjunction with city officials of Charlestown. Last year the student engineers, in conjunction with Northeastern's departments of recreation and physical education, Planned, designed and built a playground especially for handicapped children at the Joseph P. Kennedy Memorial Hospital. It is estimated that, had the project been built by a general contractor, the cost would have exceeded $44,000. The students did the job for $19,000, all of which they raised themselves from private solicitations. What these students have done demonstrates, I think, that the creative initiative of college students can be brought to bear, with remarkable success and mutual benefit, on any member of private and public places in the city. Their natural idealism, combined with the practical skills they have learned in their schooling and continue to refine through projects such as this one, has allowed these students to serve as they learn. There is abundant reason to believe that this sort of cooperative venture can be replicated in any number of endeavors of mutual benefit to the city and the university.

Three further examples of this sort of student impact on the quality of life in the city have been generated by Northeastern's School of Law. In conjunction with the Harvard Law School, we have established a Legal Services Institute where lawyers will be trained to work with indigent clients in the community. Students in their last year of

Law school will learn by working in a community-based legal service office with actual clients under the direction of experienced attorneys. The program emphasizes improving and maintaining the quality of legal services work by taking clinical education in law out of the classroom and establishing a teaching clinic similar to a teaching hospital, where the "interns" headed for a legal services career gain practical experience in the law and insights into some of the problems peculiar to urban life.

In a similar outreach program, second and third year Northeastern University law students will represent inmates of Walpole State Prison at parole revocation, disciplinary, and classification hearings. Passage of the Urban Grant Act will centralize and simplify the process of gaining funding for such projects as this one, thus acting as a more forceful incentive for higher education institutions to create and develop such innovative programs and at the same time encouraging their direction toward facilities located closer to the urban core.

Yet a third program that draws together the teaching and learning resources of Northeastern's Law School and the needs of an urban constituency is a project established under the Street Law Program designed to acquaint high school students with facets of the law and the judicial system of use to them in their daily lives. Six Northeastern students have volunteered to teach mini-courses in prisoners' rights, landlord/tenant problems, and juvenile justice at Boston's Madison Park High School, which is located in one of the city's Black neighborhoods. This Project is being undertaken in collaboration with Boston University's School of Law and the Boston Public School System with funds provided by the Robert F. Kennedy Memorial and is being replicated here in Washington, in Atlanta, Buffalo, Minneapolis, San Francisco and South Bend, Indiana.

Finally, of course, any university's greatest strength lies in its capacity for bringing together people and facilities devoted to the educational process. You are all no doubt aware that a few years ago the Federal Court in Boston brought the Boston school system into federal receivership for the purpose of insuring the desegregation of the public schools in accordance with federal law. Part of the court's mandate involved the pairing of colleges and universities in the city with individual school districts. The partnership that developed between Northeastern and District 7 is surely one of the most significant outcomes of the entire desegregation process. But little of this would have occurred without the substantial state funds provided for the effort. Now that the legal and formal integration of the schools is nearing achievement, it is likely that state funding will be reduced drastically, causing certain valuable existing programs to lapse and preventing the implementation of other projects that our experience over the past four years has shown to be critical to the realization of truly relevant quality education for children in the Boston schools.

Over the past year, in conjunction with Curry College in Cambridge and personnel of the Boston School System, Northeastern has developed a full-scale, model social studies curriculum for grades K through 8. It has been tailored to reflect the specific ethnic diversity of Boston's population and its aim is to allow children to learn not only of their own cultural and ethnic roots but to make them aware of the social roots of other Americans living side by side with them in Boston. The curriculum we have developed, which will make much use of videotapes, slides and multi-media presentations, stresses the commonality of the American experience along with the individual differences that it comprises. The university is in a unique position to undertake and supervise so radical a change in educational methods because it is not tied directly to the big city school bureaucracy. The university can hire temporary consultants whose immediate contact with the various ethnic interests in the community makes them invaluable advisors on the content and substance of curriculum; the university can provide the resources for training teachers and for transferring and translating the suggestions of advisors into an appropriate educational context; and the university is in a ideal position to mediate between the educational and social needs of the urban system. The curriculum will be tested this year on a mini-pilot basis in 13 elementary and secondary schools. Should it prove workable, as we have every reason to believe it will, we and the Boston School Department will want to implement it on a much wider basis. That, of course, will require money--money that is not and will not be available without some special federal program.

By citing some of the commitments that Northeastern has already undertaken, I have tried to give a general impression not only of the wide range of needs that exist in our particular urban community but also of the opportunities available to an activist higher education institution that looks at its resources with an eye toward how they might best be directed toward the benefit of the urban community of which it is a part and without which it would cease to exist. The examples I have cited are neither exclusive nor exhaustive. They make no claim to being the ideal or even the most appropriate functioning of the Urban Grant relationship. What suits Boston may be wholly irrelevant to Providence, Newark, Pittsburg, New York, San Francisco, or Burlington, Vermont. But a concerted effort on the part of urban universities and urban governments--with the assistance of the federal government--to redirect toward the city the talent that comes to the university can do much to enrich the quality of life of both the university and the city it serves.

This effort must come to fruition by a recognition on the part of the university as a whole that it is a citizen of the city; that the problems of the city--including those created by the university--are the problems of the university; and that our having faculty, students, and research and service facilities, means that we have an obligation to use them for the good of the city we profess to serve--and the city in which we live.

Kenneth G. Ryder
President

October 31, 1979

Honorable Claiborne Pell, Chairman
Subcommittee on Education, Arts and Humanities
325 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Pell:

Let me thank you again for the courtesies which you and your staff extended to me and to the Committee of Urban Program Universities in connection with the hearings on October 4th. While, like any other witness, I would have enjoyed an opportunity to take even more of your time in explaining the merits of our proposal, being present throughout the hearing that day gave me a clearer idea of the scope of the task you are engaged in now, and a stronger appreciation for the opportunity to appear, even briefly.

In this letter, I will try to respond to the questions which you submitted in writing after the hearing. This reply has been shared with several of my colleagues on the CUPU Board, and while they are my own responses to your questions, I believe I can say they represent a consensus within the membership of the Board.

I. Q. Do you recommend any amendments to S 1553, or to its House counterpart, Title XI of H.R. 5192?

A. Not in substance. There are three differences of detail. First, in the definition of an urban area, where the Senate bill says the Commissioner--who will now, of course, be the Secretary--"may" designate an urban area in States which do not have the requisite sized SMSA, the House bill says he "shall" do so. We think the House bill better reflects the consensus reached among the associations and institutions endorsing the bill. We believe there should be a clear and undeniable opportunity for urban university grant applications to be filed in each State.

Secondly, the House added an amendment to the effect that the non-Federal share could be in kind as well as in cash. We wholly agree with the clarification.

Northeastern University

360 Huntington Avenue, Boston, Massachusetts 02115

Finally, I have to point to the fact that the House authorization ceilings and duration differ from those of the Senate bill. The House has authorized a five-year program, with authorization levels of $50 million, $70 million, $80 million, $90 million and $100 million for Fiscal Years 1981 through 1985, respectively. The Senate figures are somewhat smaller, and the Senate bill calls for a four-year program. We naturally prefer the longer duration and the higher ceilings of the House Bill.

II. Q. The administration bill contains, in its Title I, Part A, language which is remarkably like the language of the Urban Grant Act. It provides for grants to be made to institutions of higher education to help solve priority problems, it provides for a review process by the local government, which is in the same words as those in the Urban Grant proposal, and it has a specific urban emphasis. Isn't this as good an offer as contained in S. 1553?

A. The administration proposal is a very constructive one, and we at CUPU are deeply flattered that the Administration took much of its language from our bill. However, we do believe there are three flaws in the Administration proposal.

First, while the bill talks about "particular emphasis on urban problems", it in fact provides for no such emphasis in the rest of the language of the part. In fact, it specifically includes rural and suburban programs along with urban programs in its shopping list. Now we at CUPU do not object to a community service program covering rural and suburban problems, with or without "urban" in the mix. But we do think there is room in the law and need in the times for a real urban emphasis.

Secondly, the Administration bill explicitly provides for national selection of the priorities to be addressed at the local level. To go back to my testimony, we most profoundly believe that the selection of problems that will be attacked should be made at the local level, and the selection of the means to attack them should be offered by the University proposing to do so. There are national problems, and there are legitimate national priorities in attacking them. The federal government and many universities have already established a kind of partnership that helps supply university skills to these problems. Clearly, the record warrants continuation and expansion of these programs, focused on nationally established priorities. But in this Urban Grant proposal we are explicitly talking about an expanded area of local decision making. This we believe is essential to the Urban Grant concept.

NORTHEASTERN UNIVERSITY
BOSTON MASSACHUSETTS

Kenneth G. Ryder

Honorable Claiborne Pell
Page 3

Thirdly, the Administration proposal really confines its approach to the provision of educational services to the cities and their people. We agree, of course, that such services should be done under Title I, and under all the other titles of the Higher Education Act. But we also believe that there should be authority, under Urban Grant, by which universities can be aided in offering cities non-educational services.

III. Q. The Urban Grant proposal contemplates cooperation between universities and elected officials in the communities they serve. Can you give us examples where such cooperation has already taken place?

A. I can talk first-hand about the City of Boston and the very programs which I have described in my testimony and in the prepared statement which accompanied it. If it had not been for these examples of cooperation between the Mayor and Government of our City and the Urban Universities of our city, I doubt that the utility of the Urban Grant proposal would ever have occurred to me. The staff of CUPU has requested other members of our Board and members of the Mayor's Committee for an Urban Grant Act to provide you with examples of how they have worked together, and how they could do it better and more thoroughly under the terms of this Act. It is my understanding that some of these answers at least, will be available to you in time to be made a part of the hearing record.

If, Mr. Chairman, any of the other members or staff of the Subcommittee have any further questions about details of the legislation, I would hope they will feel free to let us know.

Again, my thanks for your interest and your encouragement.

Sincerely,

Kenneth G. Ryder

Kenneth G. Ryder
President

KGR.bpa

Kenneth G. Ryder

Senator **Pell**. Thank you. We will submit some questions for the record, if we may, because of the time constraints. I know what interest Senator Javits has in your efforts——

Senator **Javits**. I feel the same way. I must go and vote, but I am very grateful to you, and I very strongly support your efforts.

Senator **Pell**. I would like to echo Senator Javits' thoughts in that regard. The political strength, too, for your program is large. We tried to get a mayor to testify with you. We are going to have testimony from mayors coming into the record.

I think you do an excellent job at Northeastern University in this regard, and the whole program is an excellent program.

The most controversial item in your bill seems to be the population figure of 500,000, a half million, for the eligible SMSA's. That lets out a lot of middle-sized cities, universities in smaller areas, that also have urban problems.

What was your reasoning in arriving at 500,000?

Dr. **Ryder**. Well, perhaps I might defer to my colleague, Jim Harrison, who spent many months working out the precise definition of the term.

Mr. **Harrison**. Well, Senator, it seemed obvious to us from the outset that there ought to be some kind of cutoff point for eligibility in the program, and that it ought to relate to population, or population density, or some such factor that determined the degree of urbanization.

The most readily available statistic with which the Federal agencies would be familiar seemed to be OMB's standard metropolitan statistical areas, and a 500,000 population seemed to us to be a reasonable place to draw that line among the SMSA's. There are about 70 SMSA's with this population, they include over half of the people of the Nation, all of the major cities, and a great many middle-sized and small cities, some metropolitan suburban areas and even some rural areas which are a part of the economic complex that constitutes a standard metropolitan area.

Frankly, the 500,000 figure was selected because it looked like a good place to start from. We claimed then, and claim now, no special scientific basis for it, just a pragmatic rule of reason.

From the beginning, there were criticisms to the effect that 500,000 was a limiting figure. The most telling fact was that it wholly excluded about a dozen states. So we worked with our friends and associates in the higher education community and with Congressmen Ford and Buchanan to develop a better figure.

The more we played with the figure itself, the more we discovered a discouraging fact: If we simply reduced the population figure, we added more and more communities and institutions in the already eligible States, but we still did nothing for the 13 or 14 States which had no eligible SMSA's. President Ahlberg, of Wichita State University, proposed at the Wichita hearings in October 1978, that we keep the 500,000 figure, but add a proviso directing the Secretary of Education—then the Commissioner—to designate an urban area in each of the States where there was no SMSA large enough to qualify. The proviso doesn't assure that there will be one urban university in every State. But it does assure that universities in each and every State will be eligible to compete for urban grants.

861

The figure, Senator, is an arbitrary one. Any dividing line figure will be arbitrary. As the bill reads, the figure of 500,000 with one area designated in each of the other States has the overriding virtue of practicality. No doubt the exercise of pure reason could come up with another, if not a better figure. But the legislative process has come up with this one, and it works.

Senator PELL. Thank you very much.

Dr. Eileen Fawley, president of Bristol Community College, also in your Commonwealth, suggested that community and junior colleges be eligible to participate in the urban grants program. What would be your reaction to that?

Dr. RYDER. Well, there has been much discussion to admit them, and clearly, there is provision in the proposed legislation for consortiums to be established which would allow varying levels of higher education to join together all of their resources.

I think that if they were to join through partnership with other institutions with broader capability, this would be the best approach, and that is what we have proposed.

In effect, as the colleges conferred to develop the best proposal, it was clear that what we are looking to is a massive concentration of educational expertise, facilities and excellence, and that larger institutions with a full range of graduate and research programs had the kind of breadth and the resources which really would be most helpful in assisting urban governments.

I mentioned to you in my statement the help of Northeastern for the Boston police and its better operations. This, I think, could be expanded to 20 different areas of urban administration. Universities tend to have sophisticated computer equipment, systems analysts, people who have the kind of expertise not readily available to urban government. And if this can be done in improving police efficiency, it certainly could be done in transportation, in a great variety of other services in which the cities are involved.

But in direct response, we feel that if such junior colleges were to be active and to have good proposals, that they should be pooled with other, larger institutions, so that there could be a still broader range of talent made available.

Senator PELL. Thank you, and thank you very much, Dr. Ryder, for being with us. I apologize for the rollcall vote that is going on, but that is unpredictable, and again I reiterate congratulations to you and the excellent job you are doing.

Dr. RYDER. Your courtesy is very generous. We are delighted to come.

Senator PELL. The hearing will resume at 10 a.m. tomorrow morning in this same room.

[Whereupon, at 1 p.m., the subcommittee was adjourned, to reconvene Friday, October 5, 1979, at 10 a.m.]

HIGHER EDUCATION AMENDMENTS OF 1979

FRIDAY, OCTOBER 5, 1979

U.S. SENATE,
SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, D.C.

The subcommittee met at 10 a.m., in room 4232, Dirksen Senate Office Building, Senator Claiborne Pell (chairman of the subcommittee) presiding.

Present: Senators Pell, Stafford, and Williams.

OPENING STATEMENT OF SENATOR PELL

Senator PELL. The Subcommittee on Education, Arts, and the Humanities will come to order.

Today is our fourth day of hearings on the reauthorization of the Higher Education Act. We will use the hearing today to focus on the Federal programs to aid developing institutions, the TRIO programs, and cooperative education programs.

We will be giving special scrutiny to the developing institution program, which is contained in title III of the existing Higher Education Act. This program received reduced funding this year which, I think, represents a signal that Congress is not entirely satisfied with the way this program is working. This hearing today will give us the chance to critically examine this program.

Our first witnesses will be a panel on title III. In fact, we are going to have two panels on title III. The first panel includes Dr. Broadus Butler, Dr. Thomas Law, Mr. Alvin Rivera, and Mr. Candido DeLeon we would appreciate it if they would come forward, please.

Let me to explain to the witnesses, and the witnesses who will follow them, the procedure the committee is following this year. The full statements of all witnesses will be printed in full in the hearing recond.

My hope is that the witnesses, rather than reading their testimony, would highlight it in a punchy way, so that it penetrates our minds as Senators. Highlight the points you really want to hit, so that we can get into questions as quickly as possible.

The time allotment is 5 minutes, and these are measured by the lights. The green light is often 4 minutes, then the yellow light is a warning light for 1 minute to go, and then the red light, combined with the bell, would indicate that the time has expired.

I apologize for these restraints but they are necessary because of the time pressures that we in the Senate face.

I would add that from the viewpoint of what you are trying to do, which is to make an impact on the Senators—at this point, it is just me, I guess—that two or three punchy points will remain in my memory far more than would half an hour of reading a text.

So I thank you all very much indeed, and want to assure you that the text that you submit, the suggestions in it, each one of them will be studied, considered, and we will do our best by you.

I see one of the witnesses, Mr. Candido DeLeon, is not here, so we will start without him, and if he turns up, he can join us at the witness table.

And I notice there are two further witnesses here, so if they would identify themselves for the reporter, we would appreciate it.

Mr. **KARSON**. Yes, Mr. Chairman. I am Stanley G. Karson, and I am director of the Clearinghouse on Corporate Social Responsibility of the life and health insurance business. Dr. Butler has asked me to come with him just to explain for a minute the program that the insurance business is involved in with the black institutions.

Senator **PELL**. And you, sir?

Mr. **LYONS**. Mr. Chairman, I am Charles Lyons, chancellor of Fayetteville State University, N.C., and president of NAFEO, accompanying Dr. Law.

Senator **PELL**. Fine. Please proceed.

STATEMENT OF DR. BROADUS N. BUTLER, UNITED NEGRO COLLEGE FUND, WASHINGTON, D.C., ACCOMPANIED BY STANLEY KARSON, DIRECTOR, CLEARINGHOUSE ON CORPORATE SOCIAL RESPONSIBILITY OF THE LIFE AND HEALTH INSURANCE BUSINESS; DR. THOMAS LAW, NATIONAL ASSOCIATION FOR EQUAL EDUCATIONAL OPPORTUNITY, WASHINGTON, D.C., ACCOMPANIED BY CHARLES LYONS, CHANCELLOR, FAYETTEVILLE STATE UNIVERSITY, N.C., AND PRESIDENT, NAFEO; DR. ALVIN RIVERA, HISPANIC HIGHER EDUCATION COALITION, WASHINGTON, D.C., A PANEL

Dr. **BUTLER**. Senator, I am Dr. Broadus N. Butler. I served as assistant to the U.S. Commissioner of Education and subsequently as president of Dillard University, a developing institution. I am currently president of the Robert R. Moton Institute, a service dedicated to the advancement of the national interest through services to education and the educational institutions.

I am pleased to appear before you to testify on the reauthorization of the Higher Education Act, and specifically, title III, because I was one of the original drafters of the title and the person most responsible, incidentally, for the term "developing". For 14 years, I have had an intimate involvement with that program. Presently I am disturbed and have been disturbed for some time about the distortions of the meaning of the program, to the point that it is almost unidentifiable with its original legislative intent. I would hope that in the context of reauthorization, there will be a serious review of the original intent, as given particularly by Senator Humphrey, Congresswoman Green, and others who were concerned that this program develop in the context of cooperation among institutions, among business entities and agencies, and the strengthening and development of networks which would enable the higher education community to provide equal access and a qualitative opportunity to persons of whatever economic status so as to make that education available through the whole network of institutions of higher education.

Our concern is that at that time, the context of mainstream was that in 1965 and before, more than 90 percent of all Federal and private funds and support, including land grant funds, for institutional support, was going to less than 100 of the 2,168 institutions.

There was a considerable number of institutions, numbering more than 1,600 by our examination, who were outside of what is called the mainstream of Federal support. It was in the interest of that group of institutions that the concept of development evolved.

The United Negro College Fund colleges were the main, symbolic instruments in the establishment of sister relationships, particularly that one which was initiated with the University of Michigan by Tuskeegee and the subsequent relationships, as cooperative relationships. The Upward Bound program came out of that context in the interest of providing a larger range of opportunities for students. In the context of that approach, the significant matter was to develop a network of resources so that students would have opportunity beyond the institution in which they were registered, a cooperating atmosphere among institutions, the locking in of assisting agencies, and particularly at that time, the Plans for Progress group of corporations which made their commitment to lend support to the smaller institutions of the Nation.

Since that time, something has happened, and I think that the primary basis of that has been the constant overemphasis upon the concept of race affecting the interpretation of the concept of developing and affecting the interpretation of the function of higher education institutions. This tension is reflected and will be reflected in the testimony that you will hear. I hope that the Senate will have the capacity to rise above this and remember that the spectrum of institutions in this Nation is needed in toto; that the services to the disadvantaged in this Nation are more largely provided to this Nation and to the higher education community through the group of institutions which are called developing institutions.

Unfortunately, the low appropriation, beginning with only $5 million, is now extending to only $120 million. That has caused serious tensions, group tensions, and institutional tensions, where now it is almost like a dog-eat-dog kind of scratching.

You have the testimony in writing of the United Negro College Fund, and you asked that I make just a couple of points.

I would hope that in addition to this, the Senate would consider very seriously the amplification of the previous structure by the addition of the endowment challenge, because that will provide the basis of security that this program was designed to effect, but which has never been realized.

[The prepared statement of Dr. Butler follows:]

STATEMENT OF DR. BROADUS N. BUTLER

Mr. Chairman and Members of the Subcommittee:

I am Dr. Broadus N. Butler. I served as Assistant to the U.S. Commissioner of Education and subsequently as President of Dillard University in New Orleans, Louisiana a United Negro College Fund Institution and a participating Developing Institution. I am currently President of the Robert R. Moton Memorial Institute, a service dedicated to the advancement of the national interest through service to education and to the educational institutions.

Today, I am pleased to appear before you to testify on the reauthorization of the Higher Education Act and more specifically Title III. I was one of the original drafters of the 1965 Title III legislation. For 14 years now I have witnessed distortions of the meaning of this program to the point that it is now almost unidentifiable with its originally legislated intent.

It is my hope to have you reflect on many of the original positive aspects of the program and the continuing need for it.

The United Negro College Fund supports and welcomes the Administration's recommendations for refinement of existing education programs for the purposes of avoiding financial waste and more efficient delivery of services to students and institutions. It is our hope that the ferver to be conservative in Federal expenditures is not meant only for the poor and underprivileged. Waste usually occurs where there is an accumulation of funding, not where there is very little.

I choose to target the bulk of my testimony on Title III, the (Developing Institutions program) because all of the United Negro College Fund institutions are participants in this program.

The UNCF supports the Administration's intention to clarify the purpose of Title III since the true intent of the Title Has been clouded and almost lost. The ambiguity or confusion caused by the terms (Developing Institutions, " "Struggling for Survival" and "isolated from the main currents of academic life), because of different interpretations have created administrative problems in the Office of Education as well as misunderstanding in the education community. This has resulted in negative and inaccurate publicity regarding the program and its management.

The real problem is simple, the term "Developing Institutions" really reflects an institution with "desire and potential" just as the term "main-currents" means "resource support." If we move out of this context of understanding the terms then all subsequent arguments take on different meanings. If the commitment of the Federal Government is to sustain institutional structure and quality that will be available to disadvantaged students then we are talking about the worthy image of conveying what is a "developing institution."

The recent terminology used is too broad and must be changed to clarify the purpose of the program as close to the original intent of the program as possible. We therefore support the administration's recommendation that the program purpose should be to "Strengthen small institutions which enroll a substantial percentage of students from low income families, which lack resources, and which are taking steps to improve institutional management and fiscal stability.

ELIGIBILITY

The administration desires to insure that eligibility for the program function be reflective of the financial needs of a college's students, so that the program compliments the BEOG need-based student aid program. We endorse this approach as being an effective way of clarifying the programs purposes and certifying that only those small institutions that have commited themselves to serving the poorest of students receive the much needed federal support.

ADDENDUM

Our reasons for supporting the Administration's eligibility criteria and the BEOG disbursement in particular is because the BEOG disbursements per full-time equivalent enrollment (FTE) undergraduate enrollment, stood out clearly as the best overall measure of student wealth at an institution. This financial assistance within OE, combined several measures of the students' financial position into one. It was found to be highly correlated with the average parental family size, student income, and assets of the BEOG recipients. Overall, it was found to be the best measure of student neediness.

Title III has been the only Federal institutional support to assist this Country's Black colleges in a sound and constructive way. As President Carter has often stated, that, "he recognizes that these Black colleges serve a virtually important mission which cannot be met apart from significant federal assistance." We in the Black community would also share these sentiments with the predominantly White colleges of similar size and situation who are struggling to provide the very specialized services to large numbers of poor and disadvantaged students.

APPROPRIATIONS

In combination with directing the program toward those institutions which serve disproportionate numbers of needy students, a substantial increase in the authorization level to $200 million should make it possible for the federal government to provide more adequate support for this nation's postsecondary institutions that are assisting the poor and disadvantaged.

There are those who would say that these institutions should not be federally supported, that they should be left to sink or swim for themselves. All institutions of Higher Education are federally supported. Wealthier institutions receive more federal dollars than poorer institutions. Black institutional participation in Federal programs is far less than their counterparts so is the level of funding, for example, between the White & Black land grant colleges. It is a provable fact that the White land-grants colleges receive more federal support from the Federal government than Black land grant colleges. There is no substantive rationale for this difference in appropriations.

The United Negro College Fund is opposed to the persistent effort to find ways to cut off rather than to sustain or increase support to the few programs in which Black colleges and other institutions that educate the poor and disadvantaged participate.

History will sustain that no serious thought or effort has been entertained to cut off support to land-grant colleges, to state colleges or to any other group of institutions receiving Federal support except this one (Title III).

Obviously, the only type of significant support to institutions, rendered by the Federal government is monetary support, and the facts of inflation, an expanding economic responsibility on all institutions of higher education makes the notion of these Title III institutions becoming self sufficient a notion that has theoretical but not prtical reality. Just as it is impractical for state institutions, major corporations (Chrysler for e.g.), airlines, railroads etc. to survvive withour public support.

GRANT DURATION

Therefore, while we strongly support the major components of the Administration's Title III recommendations, we take exception to the suggestion in their testimony that short-term federal support of Title III institutions should lead to "economic self-sufficency." So long as these colleges and universities continue to serve the economically disadvantaged, that is so long as the Nation has a large class of economically disadvantaged minorities in need of higher education, it is unreasonable and unrealistic to expect that they will become economically self-sufficient in the manner in which institutions serving a much wealthier clientele have traditionally been able to do. No amount of Federal support will make it possible for traditionally Black colleges (for example) to raise their tuitions and other charges to levels comparable to those institutions serving wealthy students. Nor can we expect that a significant number of the graduates of these institutions to be able to amass the fortunes which, largely during an earlier time, contributed heavily to the endowments of wealthy colleges and univerties.

CHALLENGE GRANTS

The United Negro College Fund enthusiastically supports the Administration's recommendations for a challenge grant program, because of the resultant partnership between the federal government and the states in the case of public institutions, and the federal government and the private sector in the case of private institutions.

These special grants will enable an institution to invest a portion of its funds in a special project that will strengthen the institution without depleting its already limited resources. In the preperation for the Title III 1972 legislation, there was discussion of fund replacement component that was never actualized. The purpose of this fund replacement component was to find ways of terminating institutions from Title III while building into the institution the capacity to replace their former federal Title III grants with funding from other sources. That was as unrealistic as it would have been to have placed that prescription upon Land Grant Colleges. As private institutions, we see the Challenge Grant Program as an opportunity for a greater degree of self help, but even we do not contemplate complete independence at any early date, nor has Harvard University since 1636. This is stated in absolute seriousness and candor.

Over the years, it has been the lot of the so-called developing institutions to utilize financial resources as rapidly as they could be secured. A year to year struggle to survive has been of necessity, the foremost consideration. Title III has without question, not only contributed to survival, but has strengthened many of these institutions in terms of educational and administrative practices and in terms of quality of the curriculum offering. Title III's thrust has been substantive and professional rather than economic.

The fundamental problem of higher education, and of small colleges in particular, related to the difficulty of securing funds needed for basic operations. If there were a way these institutions could have the undergirding (operational expense funds) that they need, it would be a major step commensurete with Title III's main purpose culminating in greater self-sufficiency and elimination of increased federal support.

The UNCF believes that matching grants program will assist many small institutions to build and revitalized their institutions in creative ways that will leave them more capable of contributing to the higher education needs of this country. That is the UNCF's goal, and I am sure that it would be the goal of other Title III participants.

The UNCF has six institutions currently in a program called the College Endowment Funding Plan; we feel that this program could serve as a model to small institutions that are seeking to build their endowments in order to become more self sufficient. Mr. Stanley G. Carson Director of the Clearinghouse on Social Responsibility of Life Insurance has agreed to explain to you the commitment of the private sector to make our program a success. Millions of dollars have already been commited by major insurance companies and millions more pleged to assist our institutions. Once our institutions have sizable endowment capabilities they will be less dependent of Federal funds for their general operating expenses.

We support authorization of $50 million as a base to be appropriated in 1981 for the matching grant program. This appropriation is separate from $200 million requested for the Title III program.

ADVISORY COUNCIL ON DEVELOPONG INSTITUTION

The United Negro College Fund supports retention of the Advisory Council on Developing Institutions as it is currently structured. The monitoring of the Title III program by citizens from accross the Country and to the validity of the program.

SET ASIDE FOR TWO YEAR COLLEGES

UNCF supports retention of 24% set aside for the Jr. and Community colleges. As appropriation increase an increased amount of funds for Jr. and Community colleges will be available.

BASIC GRANTS MAXIMUM AWARD AND REDUCTION

We support the Administration's basic grant maximum award and reduction schedule proposal. It is appropriate that the maximum award be a function of the level of funding required to exhaust the year's basic grants allocation. It is also essential that if reduction becomes necessary, the needs of extremely low-income students be protected first. Where these students are concerned, failure to provide fully-funded grant assistance at the base of the student aid package may completely deny the student access to higher education. Reduction language that insures a "hold harmless situation" for students within $200.00 maximum award would provide the appropriate protection for students with the highest need.

SUPPLEMENTAL GRANTS AND COLLEGE WORK STUDY CARRY-OVER

In order to assist financial aid officers to more efficiently manage funds, the Administration proposes a 5% carry forward of SEOG and CWS funds. This provision alone would be insufficient to meet the goal of assisting aid officers.

What is needed is discretion in the case of a surplus or a shortage. The Administration's proposal only addresses the situation where surplus funds are available.

In addition, the Administration's carryover percentage is inadequate. We strongly suggest that institutions be allowed to carry forward [illegible] to [illegible] of their college work study allocation for the succeeding year to meet current obligations.

We would not encourage these provisions for the SEOG program, as funds in this program are easier to administer.

BASIC AND SUPPLEMENTAL LOAN

We commend the administration for its proposed approach to the resolution of longstanding problems of the current federal loan delivery system. The proposed Basic and Supplemental Loan Programs are monumental steps in the right direction. They would provide loan access to a large number of low-income minority students who are not being aided by the National Direct Student Loan Program due to the lack of available funds or by the Guaranteed Student Loan Program because of arbitrary lender policies. Because packaging responsibilities are placed on the campus, the funds are provided to the student in the most efficient manner, thus simplifying the award and disbursement process. The fact that collections are centrally performed by the Office of Education allows institutions to be involved in improving the overall administration of student aid programs instead of establishing small collection agencies on each campus, thus allowing more funds to be lent to students as opposed to use for collection cost. We are in complete support of this program.

GENERAL PROVISIONS

SINGLE APPLICATION FORM

We also commend the Administration for its request to legislatively establish a single application form for the the disbursement of federal, state, and institutional funds. Steps should be taken to insure that this common form is made as simple and as uncomplicated as possible. As suggested, there should be no cost to the student for processing the form.

ADMINISTRATIVE ALLOWANCE TO INSTITUTIONS

The Administration proposes to pay an administrative allowance of $10 per federal student aid recipient. This approach toward providing support for the administration of aid programs would be totally unacceptable. As federal demands for increased institutional accountability mount, the cost of administering aid programs continues to rise.

An accross-the-board $10 per aid recipient would result in a smaller allowance than received in years prior to reauthorization. We are in strong opposition to this proposal.

Legislation authorizing a 5% allowance for the campus based and BEOG program would be more appropriate.

STANDARD OF ACADEMIC PROGRESS

The Administration has presented a proposal for providing a single standard of academic progress for federal aid recipients. We believe that the current situation, allowing academic standards to be set by the institutions, is a more appropriate approach to the problem. Standards set at institutions in conjunction with program eligibility requirements provide definitive benchmarks for students. There is no clear rationale for the proposed federal standards and they do not seem to reflect aid program eligibility requirements.

ACCREDITATION FOR INSTITUTIONAL ELIGIBILITY

While we have some sympathy for the Administration's proposal to place less reliance on private accreditation for establishing the eligibility of colleges and universities for Higher Education Act programs, we do not believe that reliance on state licensing procedures is an appropriate substitute, expecially for private institutions, many of which have only very minimal relationships to the states in which they happen to be located.

We generally support the proposal to require institutions to provide information as a condition of eligibility for Title IV programs. We are troubled, however, by the proposed provision to require placement data on some recent graduates. Our experience is that such information is extremely difficult to collect and impossible to verify. Colleges and universities have no legal right to require post-graduation information of this kind from their former students. They should not, we believe, be put in a position of having to provide the federal government with data to which they have neither access not right of access. Such a requirement will only force colleges to submit inadequate and inaccurate data by making it necessary for them to invent data which they do not have.

TRIO

Special Programs for Students from Disadvantaged Backgrounds : Part A, Subpart 4 of Title IV

We support the Administration's proposal for changing the language on TRIO Special Programs for students from disadvantaged backgrounds in order to describe the programs mission and target population.

We are in opposition to any amendment if offered designating a first generation requirement (first generation college student) for eligibility in the TRIO program.

Our reasons for opposing the first generation requirement are as follows:

I. The "First Generation: concept contributes little to the identification of those individuals the programs are intended to serve.

II. The introduction of the "First Generation" concept into the eligibility determination process results in two disparate elements measuring the suitability of an individual for program assistance. That is, low income as a determinant is understandable, quantifiable, and capable of validation. Low income clearly means that the students' family is not in possession of much wealth. The kind of criteria needed should be reinforcing rather than disparate.

III. The "First Generation: concept adds tremendous complexity to program administration. The definition collection, and validation of information on first generation students will present numerous problems, some of which may well defy solution. Further, it should be realized that undue administrative complexity frequently encourages program abuse and the loss of program effectiveness.

IV. The certification of a student being "First Generation" would be a difficult process.

V. Further problems would arise from the definition of the phrase, "neither of whose parents hold a baccalaureate."

Pragmatically, this new element if introduced might exclude or make difficult in participation of the very students that the program was designed to serve.

TITLE II -LIBRARIES

We support the proposal to modify the Title II, College Libraries Program to target grants to college libraries which are relatively deficient.

TITLE VII- CONSTRUCTION, RECONSTRUCTION AND RENOVATION OF ACADEMIC FACILITIES

While we accept the view that the federal government has a vital interest in ehnancing the research facilities of the nation's research universities, we do not accept the implication that research universities are the only higher education institutions needing federal assistance for construction and renovation of building and acquisition of modern equipment as indicated in Part E. of Title VII. After many decades of neglect, many of the historically Black colleges and universities are now faced with major capital needs. In some cases there is an almost desperate need for federal assistance to replace and renovate deteriotrated structures and to provide access for the handicapped in more adequate buildings. For this reason, we do not support limiting Title VII to research universities. The present wording of the Administration's Proposal could actually eliminate Howard University and Atlanta University Center, because they are not considered principle research institutions. We would like to see some flexibility in the Title to allow minority institutions to move into the research area.

TITLE XI

The UNCF supports the spirit of the amendment made in the House of Representatives establishing a new Title XI. The new Title is the "Urban Grant University Program" "Law School Clinical Experience Program" would be a part.

Our principle concern is that the Urban Grant Program as proposed by the House of Representatives makes provision in law for the fair and equitable inclusion of the Historically Black colleges.

Moreover, the very concept of the Urban Grant Program was proposed and put forth in 1967 by Dr. Martin Jenkins, then President of Morgan State University a Black college. Dr. Granville Sawyer, President of Texas Southern University President of another Black institution, has had a series of urban oriented programs which has his institution defined with the state educational system in Texas as a State urban Special Purpose University. History reflects our concern.

TITLE XII-SECTION 1202 AND 1203: STATE POSTSECONDARY EDUCAION COMMISSIONS

We support the proposed elimination of the State 1202 commissions, as they have not generally served a useful function and are unlikely to do so in the future.

Senator **Pell**. Thank you very much, Dr. Butler, and I look forward to enlarging on these ideas in the question and answer period.

Dr. Law?

Dr. **Law**. Senator Pell, my name is Thomas Law. I am president of Virginia State University. Today, I appear before you on behalf of the National Association for Equal Opportunity in Higher Education, whose acronym is NAFEO. I am accompanied by Dr. Charles A. Lyons, Jr., the chancellor of Fayetteville State University in North Carolina and president of NAFEO.

NAFEO is the organization of 107 historically predominantly black colleges and universities. These institutions enroll more than 200,000 students and continue to account for approximately one-half of the black recipients of baccalaureate degrees.

I thank you, Mr. Chairman, for this opportunity to comment on proposed amendments to title III, strengthening developing institutions of the Higher Education Act of 1965.

Virtually all of our participating colleges and universities have been among the more than 700 institutions that have benefitted from title III. Studies consistently support the fact that the academic programs, the administrative capacity, and student services of our institutions have been significantly strengthened and overall quality enhanced by title III funds, consistent with the objectives of the program.

The importance of increasing the flow of students from low income programs into what has been called the mainstream society is now generally recognized. Often overlooked to this point, however, is the fact that many of these institutions continue to require a high level of support. There are some institutions that do more than others in developing low income students into resourceful and productive members of society. In so doing, these institutions are performing a national service, and also therefore are enhancing society.

Indeed, providing aid for these institutions, which by definition are developing because they are serving large numbers of low income services, is to provide aid to society.

Now, we know that the large spectrum of institutions that have provided higher education opportunities for needy students among Indians and Hispanics and economically deprived whites; we know that these institutions are rendering invaluable service to society and opportunities to the low income disadvantaged student.

However, they are burdened financially largely because they assume the burden of assisting large numbers of needy students. We know, however, the black colleges best.

Accordingly, Mr. Chairman, in the interest of time, we are going to submit in toto for the record a statement describing the contributions of historically black colleges.

For example—just one example, however—I would like to indicate that these colleges have produced over 7 percent of all the black graduates of college since the inception of this Nation; 75 percent of black Americans who hold Ph. D. degrees are products of these historically black colleges, and 75 percent of the black military officers and 80 percent of black Federal judges, and 85 percent of black physicians. And I want to commend to you that these have been quality people. We will continue to do so, given the level of support.

Therefore, NAFEO institutions support title III as a companion piece to the need-based legislation assistance for those institutions committed to serving low income students.

I would also like to highlight the fact that under the authorizational portion, which was highlighted under the Pell bill, we strongly endorse these recommendations, the Pell bill and the administration bill, the measure of $250 million.

Our view is that this obligation level should prevail for each year beginning with reauthorization and ending October 1, 1985.

We also do not support set-asides. We support the challenge grant because of the fact that the $50 million which would stimulate the partnership between the Federal Government and the States, in the case of the public institutions and the Government and the private sector in the case of the private institutions, in moving developing institutions toward self-sufficiency.

We also support the eligibility for assistance and the continuation of the advisory committee for developing institutions.

In summary, we applaud the subject thrust of the administration proposal for reauthorization of title III. We welcome the elimination of the concepts such as "not in the mainstream" "struggling institutions," which are confusing, and to many, demeaning.

I again thank you for the opportunity to comment on and commend to you the proposed amendments.

Senator Pell. Thank you very much, indeed.

Dr. Rivera.

Dr. Rivera. Thank you very much, Mr. Chairman. I have been asked to be the spokesperson for the Hispanic Higher Education Coalition.

The coalition is comprised of 11 national Hispanic organizations. Those organizations are listed in the testimony provided to you.

Senator Pell. One question of definition. When you say Hispanic, does that mean the Iberian Peninsula, or just Spanish-speaking nations?

Dr. Rivera. It means all Hispanic populations that include Mexican American, Puerto Rican, Cuban, and other Latin American and other Hispanic populations.

Senator Pell. Does it include in your mind Brazilians and Portuguese?

Dr. Rivera. It would not.

Senator Pell. It would?

Dr. Rivera. It would include those people who are defined as Latino in the European countries.

Senator Pell. Right. Well, do the Portuguese consider themselves Hispanic?

Dr. Rivera. Portugese do not consider themselves Hispanic.

Senator Pell. I am curious, because we have a large Portugese group in our State, and this always is a question of some sensitivity. Should they benefit by the Hispanic language programs, are they a Hispanic group? We get arguments both ways, and I was wondering what your view was.

Dr. Rivera. Mr. Pell, at this point, they have not been involved in this coalition effort.

Senator **Pell**. So they are not included, but originally, they were.

Dr. **Rivera**. They are not at this time; nor have they been involved in the past in the coalition efforts.

Senator **Pell**. OK. Thank you.

Dr. **Rivera**. I would like to begin by indicating that the four primary issues confronting Hispanics in higher education deal with access, retention, professional development and institutional representation. We have detailed in our testimony these specific issues. It is important here only because this is the framework within which we are making our recommendations.

I would like to talk very quickly about what appears to be a major problem in title III program, which was best expressed by several of your colleagues.

The coalition has always felt that the funding level for Hispanic proposals in title III has been in the past embarrassingly low. The letter attached, dated March 14, 1979, to President Carter, and signed by seven U.S. Senators, including Domenici, DeConcini, Hart, Hayakawa, Schmitt, Tower, and Goldwater, stated:

> During the past funding cycle, strong evidence of discrimination by the Department of Health, Education, and Welfare against Hispanic institutions in the title III developing institutions program was uncovered.
>
> The recent title III difficulties, coupled with your latest policy directive with respect to black institutions, will intensify the gap between Federal education support for black minority students and support for Hispanic and other non-black minority groups.
>
> These actions, by encouraging this disparate treatment, will serve to condone HEW's past insensitivity to the educational needs of Hispanics and other minorities and will absolve that agency of any responsibility to correct these inequities and upgrade its commitment to meeting the educational needs of non-black minority groups.

Mr. Chairman, I would like to ask that that letter, in total, be submitted for the record.

Senator **Pell**. Without objection.

[The letter referred to follows:]

United States Senate
WASHINGTON, D.C. 20510

March 14, 1979

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

We would like to take this opportunity to comment on your January 17, 1979 Memorandum to Heads of Executive Agencies and Departments, in which you announce the intention of your Administration to upgrade its commitment to Black institutions of higher education. While we have no objection per se, to this new directive, we are extremely concerned that an exclusive emphasis on Black colleges and universities essentially ignores the higher education needs of Hispanics and other non-Black minority groups.

During the last funding cycle strong evidence of discrimination by the Department of Health, Education and Welfare against Hispanic institutions in the Title III Developing Institutions Program was uncovered. As you know, the Congress is presently reviewing the recently completed GAO report on Title III with a view toward determining the exact extent and scope of discrimination within the program.

The recent Title III difficulties, coupled with your latest policy directive with respect to Black institutions, will intensify the gap between federal education support for Black minority students and support for Hispanic and other non-Black minority groups. These actions, by encouraging this disparate treatment, will serve to condone HEW's past insensitivity to the educational needs of Hispanics and other minorities and will absolve that agency of any responsibility to correct these inequities and upgrade its commitment to meeting the educational needs of non-Black minority groups.

We thank you for your attention to this matter, and urge you to carefully consider the full implications of your newly announced policy on the non-Black institutions of higher education. Equity of effort in upgrading the commitment of the Federal Government to all minority institutions is of utmost importance.

Very truly yours,

Pete V. Domenici
Pete V. Domenici

Harrison Schmitt

Dennis DeConcini
Dennis DeConcini

John Tower
John Tower

Gary Hart
Gary Hart

Barry Goldwater
Barry Goldwater

S. I. Hayakawa
S.I. Hayakawa

Dr. **Rivera**. The coalition would like to make the following eight recommendations. Initially, the coalition would like to recommend that the title be changed to "Strengthening Developing Institutions and College Programs." This change is directed toward providing incentives through effective and innovative college programs. The college programs would be designed to serve large numbers of economically disadvantaged students and students who come from environments in which the dominant language is other than English.

Such college programs may or may not be located in existing developing institutions.

The second recommendation is that the set-aside for community colleges currently of 24 percent be increased to 40 percent. We feel this is justified for a number of reasons, because of the increasing number of low income students, minority students, and also returning adult students that are being accommodated by the community college. The administration's proposal calls for a 24-percent set-aside. The House Committee on Education and Labor recommended that not less than a 24-percent set-aside.

The fact of the matter is that these are unfavorable recommendations. The coalition would have difficulty in supporting them, given the poor administration and equally bad management of the current operation of title III regarding Hispanic concerns; the repeated insensitivity, coupled with the low level of funding to colleges enrolling large numbers of Hispanic students suggests the need to specify in very clear legislative language the intent of the title, and in this instance, the higher percentage set-aside for the community colleges.

Third, perhaps the major weakness of the title III program is in the cooperative arrangements. Our testimony discusses this problem, and the GAO report of 1979 details our justification for the need to change this section. Specifically, we would suggest that no institution or agency act as an assisting cooperating institution for more than three developing institutions. Second, limit to no more than 10 percent the amount of money that an assisting agency may receive. And finally, limit to three the number of cooperative arrangements that a developing institution may enter annually.

The fourth recommendation is that we would recommend developing a separate section under this title reserving 25 percent of the funds for incentive grants for retention of students. These grants should be reserved for those institutions which demonstrate a high ability to recruit, retain and graduate underrepresented populations.

The fifth recommendation, the administration had proposed a very small, 1-year grant to develop a long-range plan. We feel this recommendation is unjustified, given the fact that, for the most part, the 1202 Commissions currently are involved in statewide planning, and the 1202 Commissions reside in 47 of the 50 States.

On the duration of grants, the coalition believes that this administration proposal is very poorly conceived. Unfortunately, this proposal resembles the former patterns of administering funds through the recently revised AIDP and BIDP structure. The coalition recommends that all applicants for title III be allowed to compete for developing grants for no less than 2 years nor more than 5, depending upon the applicant's need. Further, the applicant's situation must be reevaluated at the end of the applicant's funding cycle, to determine if additional funds are warranted.

The coalition disagrees with the proposal of prohibiting institutions from renewing their grants. Renewal of grants should rest on the merits of each institution proposal.

The coalition supports the requirement for institutions to specify in measurable terms whether or not the objectives cited are indeed being accomplished.

Seventh, the challenge grant. The coalition feels that this is a unique opportunity to try to address the needs of the Hispanic in virtually all the professional fields. For this reason, the coalition would strongly recommend in this section that graduate programs and professional schools who enroll students who come from environments in which the dominant language is a language other than English be given a priority as a criteria for funding.

And finally, the coalition conditionally support this authorization level. While the title III program has operated over the past 13 years, the Hispanic participation has been limited. Unless the administration proposal is amended to specifically address the problems of our community, the coalition—at this time—would be hard-pressed to support it.

Thank you, Mr. Pell.

[The prepared statement of Dr. Rivera follows:]

Hispanic Higher Education Coalition

ASPIRA of America
El Congreso Nacional de Asuntos Colegiales
League of United Latin American Citizens
Mexican American Legal Defense & Educational Fund
Mexican American Women's National Association
National Association for Equal Educational Opportunities
National Council de La Raza
National IMAGE, Inc.
Puerto Rican Legal Defense & Education Fund, Inc.
Secretariat for Hispanic Affairs, U.S. Catholic Conference

SECRETARIAT
Mexican American Legal Defense
& Educational Fund (MALDEF)
1411 K Street, N.W.
Suite 300
Washington, D.C. 20005
(202) 393-5111

Testimony on the Reauthorization of the Higher Education Act of 1965: Title III Developing Institutions of Higher Education

Presented to:

The Subcommittee on Education, Arts and Humanities
of the Senate Committee on Labor and Human Resources

By:

Dr. Alvin Rivera

For the Hispanic Higher Education Coalition

October 5, 1979

My name is Alvin Rivera and I have been designated as the spokesperson for the Hispanic Higher Education Coalition on this topic of Developing Institutions. I had the opportunity to work in the Developing Institutions program for 8 months (October 1976 - May 1977) as an HEW Fellow. The experience was insightful, revealing, frustrating, disappointing, and often demoralizing. In addition, I worked as a Special Assistant in the Office of the Assistant Secretary for Education in the Department of Health, Education, and Welfare (HEW). Currently, I am employed by the National Academy of Sciences for the Committee on Minorities in Engineering.

The Hispanic Higher Education Coalition (HHEC) is comprised of individuals representing 11 national Hispanic organizations interested in improving educational conditions for their constituencies. The HHEC has as its central purpose to increase participation of Hispanic populations in higher education in the Nation. The 11 national organizations which comprise the HHEC are:

- ASPIRA of America
- League of United Latin American Citizens
- El Congreso Nacional de Asuntos Colegiales
- Mexican American Legal Defense and Educational Fund
- Mexican American Women's National Association
- National Association for Equal Educational Opportunities
- National Council of La Raza
- National IMAGE, Inc.
- Puerto Rican Legal Defense and Educational Fund, Inc.
- Secretariat for Hispanic Affairs, U.S. Catholic Conference
- Spanish American League Against Discrimination

We wish to discuss three things with you today. First, we wish to provide you with a brief background about the critical needs of Hispanics in higher education. Then, we would like to discuss the current laws and regulations of Title III and their application to the Hispanic population. Finally, we will suggest various changes in the existing laws and operations of Title III in order to address the needs of Hispanics.

BACKGROUND

The reauthorization of HEA of 1965 is extremely important to the Hispanic community. We understand that this particular reauthorization cycle may be for five years, running into the middle 1980's. With the continued growth in the Hispanic population (by the year 2000, Hispanics are projected to be the largest minority in the U.S.), the ability to enter the technical and professional fields, through higher education, becomes a central concern to the Hispanic community.

Higher education becomes even more critical when you consider the glaring inequities Hispanics face in education. Educational attainment still remains at the 9th grade level. Dropout rates soar over 50% in an overwhelming number of densely populated school districts. Participation rates in four year, graduate, and professional schools continue to be 1% to 2%. These inequities set against the continued high unemployment rates of Hispanic youth (upwards to 30%) exemplify the seriousness of the inequities we face.

The interest of the Hispanic community in higher education is not isolated to our concerns with the population boom and disturbing inequities, but takes on greater significance as we analyze the current trends in higher education and the nation's economy.

TRENDS

One would just have to read the newspapers to see the trends in higher education. These trends are not divorced from the economic conditions of the country. Proposition 13 has threatened the economic stability of local community college efforts. It has also threatened indirectly, but nevertheless critically, the financing of four year educational systems, since state funding will now become even more competitive. Institutions of Higher Education (IHEs) are facing the enrollment decline and difficulties of financing a University operation (e.g. buildings, maintenance, teacher salaries).

The Bakke decision suggests that the allocation of professional admissions slots will be tighter. The Hispanic community cannot tolerate this implication, since we are already underrepresented in most professional fields. What we are facing is a middle income revolt which is going to cut away at advantages that minorities and the poor are just beginning to realize.

The middle income revolt is not unjustified, given spiraling inflation and the public cry for excellence in an opportunity for all Americans in education who contribute, through taxes, to education.

These trends are coming at a time when progress for the poor is waning. Hispanics have not penetrated four-year and graduate school educational systems in equitable numbers. Opportunities are still limited and access has not been achieved. Thus, four primary issues facing Hispanics in higher education continue to be access, retention, professional development, and institutional representation.

These trends become even more pronounced when we analyze the involvement of Hispanics in educational institutions and agencies. The lack of institutional representation remains a difficult barrier to overcome and current participation in IHEs and Federal and State educational agencies remains minimal.

Beyond the limited participation of Hispanic students in higher education, faculty and administrative ranks are virtually uninhabited by Hispanics. The number of institutional personnel is extremely low throughout the country, particularly in urban and rural areas with large proportions of the Spanish speaking. The lack of institutional participation in faculty and administrative positions is further complicated by the lack of a set of Hispanic controlled postsecondary institutions to generate such professionals. There are only a handful of "Hispanic Colleges" in the country and they are at the beginning stages.

In summary, access, retention, professional development, and institutional representation are the main issues which must be addressed in the reauthorization of the Higher Education Act on behalf of Hispanics.

ACCESS

Access to postsecondary educational institutions (including communitycolleges) cannot be achieved until we equalize environments for Hispanics with the middle and upper middle income students. Early intervention in the way of counseling and tutoring is extremely important to get the students ready to enter the educational system. It is difficult to enroll Hispanic college students, if they do not complete a high school education. Programs that serve as a bridge between junior high, high schools, two year, four year, and graduate institutions need to be expanded and targeted to Hispanic areas.

RETENTION

The Hispanic dropout rate continues to be severe in junior high, high school, and colleges throughout urban and rural areas. Policies and programs that seek to keep the student in school need to be developed.

PROFESSIONAL DEVELOPMENT

A major purpose of higher education is to place individuals into the policy arenas of society. Hispanics need to go beyond the Associate of Arts and Bachelors Degrees into graduate and professional education. Our success in this area has been dismal. Access and retention are key issues in graduate education. In order to fill administrative and faculty posts in IHEs, Hispanics must acquire graduate degrees. Graduate education programs which support Hispanics in graduate schools need to be expanded.

INSTITUTIONAL REPRESENTATION

The lack of Hispanic representation in local, state, and federal executive agencies and educational institutions,(faculty, administrators, and federal and state advisory panels, is an unavoidable consequence of inadequate professional development. This hinders effective articulation of our problems and frustrates the development of strategies to meet our present and emerging educational needs. Without equitable representation, policies and programs will continue to have limited impact on the Hispanic community.

Hiring of Federal employees in education is not a reauthorization issue per se, but the problem should be addressed. Effectiveness of Federal education programs for Hispanics will be stifled unless sufficient participation of Hispanic staff in policies and programs occurs. For example, it should be noted that there are only two Hispanic professionals in the entire Bureau of Higher and Continuing Education. This is continued evidence of the insensitivty of the Federal government to the needs of Hispanics.

TITLE III - THE LAW and BACKGROUND

CURRENT LAW: Public Law 89-329-Nov. 8, 1965: Title III Strengthening Developing Institutions: The purpose of this title is to assist in raising the academic quality of colleges which have the desire and potential to make a substantial contribution to the higher education resources of our Nation, but which for financial and other reasons are struggling for survival and are isolated from the main currents of academic life. For this purpose, the Commissioner is authorized to establish a national teaching fellowship program, to encourage and assist in the establishment of cooperative arrangements under which these colleges may draw on the talent and experience of our finest colleges and universities, and on the educational resources of business and industry in their effort to improve their academic quality.

The Developing Institutions program is mainly a minority operated program. The history of the program emphasizes allocating resources to helping colleges develop their resources. In recent years, given the tight money situation of higher educational institutions, more colleges have applied for Title III funds.

This legislation has had an overall positive influence on the institutions fortunate enough to be helped by the program. For this reason, we support the program, in principle, with several major modifications. We believe this legislation was established to help all institutions that demonstrate a commitment to serving low-income and minority group students. Although the program has been criticized for its poor administration at times, and for good reason, the positive aspects of the program outweigh the negative administrative problems.

With the demographic data revealing an ever increasing Hispanic population, the need exists for personnel operating programs like "Developing Institutions" to become more knowledgeable of the positive aspects of financially supporting institutions which enroll high numbers of Hispanic students. The table below illustrates the proportion that Hispanics constitute of both the general population and the minority population. Particularly significant is the fact that 5 years ago:

*Hispanics comprised 6.3% of the total population.

*Hispanics comprised 33.7% of the minority population.

TABLE I

U.S. POPULATION BY MINORITY STATUS

Group	Number (in thousands)	% of Total Population	% of Minority Population
Non-Minority	165,000	81.5	-
Minority	37,500	18.5	100.0
Hispanic	12,700	6.3	33.7
Black	22,500	11.1	60.0
Asian	1,500	0.7	4.0
Native (includes eskimos)	800	0.4	2.1
Total population	203,000	100.0	-

Source: U.S. Census Data,1974

The needs of Hispanics continue to go unmet in higher education. While the Hispanic population continues to increase, a decline in the funding for the Basic Institutional Development Program (BIDP) was recorded from 1977 to 1978.

The funding history of the Basic Institutional Development Program (BIDP) is listed in Table II. These data are not representative of the Advanced Institutional Development Program (AIDP). Although previous participation in Title III was not a requirement of AIDP funding, most Advanced schools were formerly in the Basic program. Most constituents, including Hispanics, served by the AIDP would like to seek a breakdown of funding to institutions serving ethnic and racial populations. In 1977, 9.3 percent of the total BIDP funds was allocated for Hispanics and in 1978 this percentage was cut to 6.9% We hope the 1979 funding picture produces a reversal of this current trend.

TABLE II

FUNDS AWARDED FOR HISPANIC PROGRAMS

BASIC INSTITUTIONAL DEVELOPMENT PROGRAM

TITLE III, STRENGTHENING DEVELOPING INSTITUTIONS

FY 1966 - 1978

YEAR	NUMBER OF COLLEGES FUNDED	TOTAL AMOUNT FUNDED	PERCENT OF TOTAL FUNDS	AVERAGE GRANT
1966	N/A	$ 164,784	3.0%	N/A
1967	N/A	504,188	1.6%	N/A
1968	N/A	919,010	3.0%	N/A
1969	N/A	891,147	2.9%	N/A
1970	N/A	610,000	2.0%	N/A
1971	14	1,613,000	4.76%	115,214
1972	18	2,816,000	5.43%	156,444
1973	23	3,556,000	6.83%	154,608
1974	26	3,812,000	7.33%	146,615
1975	24	4,336,000	8.33%	180,666
1976	31	4,660,825	8.96%	150,349

TABLE II (cont.)

YEAR	NUMBER OF COLLEGES FUNDED	TOTAL AMOUNT FUNDED	PERCENT OF TOTAL FUNDS	AVERAGE GRANT
1977	27	$ 4,861,440	9.35%	180,053
1978	22	3,612,000	6.94%	164,181
		$32,356,394		

Based on these data, we agree with the General Accounting Office Report (February 13, 1979) that there is a need to "clarify the program's intent to show which institutions should be served and the goals these institutions should achieve." Therefore, we recommend the following changes to the existing legislation.

PROPOSED CHANGES

College Programs

The coalition recommends that this title be changed to "Strengthening Developing Institutions and College Programs." This change is directed toward providing incentives through effective and innovative college programs. The college programs will be designed to serve large numbers (not a large percentage or proportion) of economically disadvantaged students and students who come from environments in which the dominate language is a language other than English. Such college programs may or may not be located in an existing "developing institution." The college programs would utilize existing and other available resources to be responsive to the above needs of students regardless of their location or financial status.

890

The administration proposed that "the new purpose would be to strengthen institutions which enroll large numbers of students from low-income families, which lack resources, and which are taking steps to improve their chances for survival." The Coalition feels that this definition is too narrow. It is ncessary to include in the definition of purpose that the program will serve students who come from environments in which the dominate language is a language other than English.

The Coalition feels that funding of Hispanic programs in Title III in the past has been embarrassingly low. A letter (attached) dated March 14, 1979 to President Carter and signed by seven U.S. Senators (Domenici, DeConcini, Hart, Hayakawa, Schmitt, Tower, and Goldwater) stated:

> During the last funding cycle strong evidence of discrimination by the Department of Health, Education and Welfare against Hispanic institutions in the Title III Developing Institutions Program was uncovered....... The recent Title III difficulties coupled with your latest policy directive with respect to Black institutions, will intensify the gap between federal education support for Black minority students and support for Hispanic and other non-Black minority groups. These actions, by encouraging this disparate treatment, will serve to condone HEW's past insensitivity to the educational needs of Hispanics and other minorities, and will absolve that agency of any responsibility to correct these inequities and upgrade its commitment to meeting the educational needs of non-Black minority groups.

For these reasons, it is important to include the definition suggested by the Coalition to ensure that future discriminatory activities do not take place against any Hispanic or non-Black groups in the administration of Title III.

Retention Incentive Grants

We recommend developing a separate section under this title reserving 25 percent of the funding for "Incentive Grants for Retention" of students. These grants should be reserved for those institutions which demonstrate a high ability to recruit and retain underserved populations.

Retention means the completion of the proposed academic or career goal as determined by the student. The proposed goal could mean completing a single class, a degree program or an activity sponsored by the college. For example, an institution would be eligible to receive a grant, if it demonstrates that students are progressing through a degree program.

The intent of these grants is to ensure that institutions serving large numbers of students who are economically disadvantaged or whose dominant language is other than English will specifically address the issues of access and retention. Effective and innovative efforts to increase the enrollment and graduation of these populations should be considered the central mission of the institutions. Furthermore, an increase in enrollment by itself is not a sufficient reason for eligibility to receive incentive grants.

Challenge Grants

Along similar lines as the Retention Incentive Grants, the Administration proposed Challenge Grants that would offer funding on a 50-50 (Federal-Institutional) matching basis to the same eligible institutions. These grants, in addition to possibly generating additional state and institutional funds, present a unique opportunity to support the career development of Hispanics and other underserved populations in graduate programs and professional schools. The Coalition wishes to call attention to the lack of Hispanics in virtually all professional career fields. For this reason, the Coalition strongly recommends in this section that graduate programs and professional schools that enroll students who come from environments in which the dominate language is a language other than English be given priority as a criterion for funding.

Set-Aside For Community Colleges

The Coalition recognizes the contribution that community colleges make to higher education. We know that over 50 percent of Hispanic students start in community colleges. In the past, Title III has received a disproportionately large number of applications from community colleges. However, the set-aside for community colleges presently is limited to 24 percent.

The Coalition recommends that the current 24% set-aside for community colleges be increased to 40 percent. We feel this is reasonable given the vital role of community colleges in educating students in so many fields of academic and technical endeavors. The emerging role that the community colleges performed for the returning adult students, for low-income and minority students merits the 40 percent set-aside requested.

The House Committee on Education and Labor recommends that not less than 24 percent set-aside in this title be designated for community colleges. This recommendation is difficult for the Coalition to support given the poor administration and equally bad management of the current operation of Title III regarding Hispanic concerns. The repeated insensitivity, coupled with the low funding levels to colleges enrolling large numbers of Hispanic students suggest the need to specify in very clear legislative language the intent of this title and in this instance, a higher percentage set-aside for community colleges.

Cooperative Arrangements

Perhaps the major weakness of Title III is with consortium arrangements. In a report by the Division of Analysis, Review, and Compliance

(DARC) in the Department of Health, Education, and Welfare (January 1976), program office records indicated that the Phelps Stokes Fund assisted 41 programs, Institute for Service to Education-36, and the College Placement Service-41. Further, the report revealed that the Phelps Stokes Fund and the College Placement Service appear together on 21 grants, and the College Placement Service and the Institute for Services to Education appear together on 27 grants. All three appear together on 18 grants. The report recommendation stated:

> The Commissioner should institute a study of the frequency of use of assisting agencies, particularly the Phelps Stokes Fund, Inc., the College Placement Service, and the Institute for Service to Education, to determine (a) if the frequency of use is justified, (b) if Federal procurement regulations were followed by the grantee, and (c) if federal funds are paying for a duplication of effort.

This is a situation that should not be regarded lightly. Does the Title III program have any studies currently in progress which address these questions? We feel this is a matter that deserves the utmost attention, and therefore we are requesting the following legislative changes. We recommend careful restructuring of cooperative arrangements as they currently exist. Specifically, while we recognize the value of such arrangements, we recommend that:

1. No institution or agency act as an assisting cooperative institution for more than three developing institutions, and
2. Limit to not more than 10 percent the amount of monies an assisting institution or agency may receive.
3. Limit to three the number of cooperative arrangements that a developing institution may enter into annually.

The rationale for these changes is to provide expanded opportunity for institutions interested in assisting developing institutions to apply for grants, while at the same time ensuring that a greater proportion of the funding will be used for the activities and objectives of the developing institution.

Long Range Planning

The Administration proposed that applicants prepare a comprehensive development plan as part of their application for Title III grants. This is indeed a good idea, but why would it require "very small, one-year grants" to develop such a plan? A need for clarification of this aspect of the long range plan is necessary. Such institutional long range plans, the Coalition believes, should be available now through the 1202 Commissions that exist in most of the states. In any event, the individual institutions should develop close cooperation with state officials in the development of their long range plans.

Duration of the Grants

The Administration proposed that grants be awarded: 1) for one to three years and to allow applicants to re-apply for grants; and 2) for a larger one-time grant for up to seven years; these applicants may not re-apply for grants.

The Coalition believes this proposal is poorly conceived. Unfortunately, this proposal resembles the former patterns of administering funds through the recently revised AIDP and BIDP structures. The Coalition recommends that applicants for Title III be allowed to compete for development grants for no less than two years nor more than five years, depending on the applicant's need. Further, the applicant's situation must be re-evaluated at the end of the applicant's funding cycle to determine if additional funding is warranted.

The Coalition disagrees with the proposal of prohibiting institutions from renewing their grants. Renewal of a grant should rest on the merits of each institution's proposal. Finally, the Coalition supports the requirement of institutions to specify measurable objectives to be achived each year in order to continue to receive funding.

Authorization Level

The Administration proposed a one-quarter billion dollar authorization level for the Title III program. The Coalition conditionally supports this suggested authorization level. While the Title III program has operated over the past 13 years, Hispanic participation has been limited. Unless the Administration's proposal is amended to specifically address that problem, the Coalition--at this time--would be hard pressed to support it. The Coalition strongly recommends revising the purpose as suggested earlier and increasing to 40 percent a set-aside for two year colleges. Further, we feel that there must be a clarification on long range planning and a revision of the duration of grants. We also recommend writing incentive language in the challenge grants proposal to encourage institutions to attract Hispanic students to graduate programs and professional schools.

SUMMARY

Title III, as it is presently structured, has not served the Hispanic population in the most productive manner. We feel the potential to serve the needs of Hispancs and other needy populations resides in this program. However, unless and until major modifications are made, the needs of Hispanics will remain unmet. The issue of access, retention, professional development, and institutional representation are vital to Hispanic populations. Indeed, the mechanism of Title III could work to address our needs. Given the implementation of our suggested legislative changes, we are optimisitc that the needs of the Hispanic community will be better served.

On behalf of the Hispanic Higher Education Coalition, I wish to thank you for this opportunity to provide our views on this important topic. I would be happy to respond to any questions you may have.

Senator **Pell**. Thank you.

Mr. Karson?

Mr. **Karson**. I just want to speak for a minute or two about the program at the United Negro College Fund, and Dr. Butler felt was important enough to bring to the attention of the committee I am not speaking on the specific legislation, but it goes to the substance of it.

It is the College Endowment Funding plan which was developed by Dr. Frederick Patternson, the founder of the United Negro College Fund, about 5 or 6 years ago. He came to the life insurance companies to get their role as investors in this unique plan, and in two or three sentences, I can describe it.

The College Endowment Funding plan is a unique endowment-building strategy which leverages private gifts to small colleges with borrowed funds.

The combined sum is invested in a combination of U.S. Government bonds and high-grade corporate bonds, for a period of 25 years. During that period, the investment income is sufficient to pay the interest on the borrowed funds and to provide a significant amount of income to the college for current expenditures.

During the first 15 years, no payments are made to reduce the loan, and surplus investment income is added to the principal. During the last 10 years of the plan, 10 percent of the loan is retired each year.

This is said to be, by the United Negro College Fund and black institutions generally, an ingenious and unique plan to provide much-needed operating funds. It is a challenge grant kind of program, and it is one that the 18 to 21 life insurance companies that are investing in this at low interest rates see as a means of being of great assistance to black institutions, and we are very happy to be involved in this program.

Senator **Pell**. Thank you very much.

Mr. Lyons?

Mr. **Lyons**. Four brief points, Senator Pell. One, let me just comment briefly on the matter of quality. I know that those kinds of concerns have been raised. I would say that from my experience in higher education in this country, higher institutions overall do a very good job in the way of providing quality of higher education services.

I think we can find instances of less-than-adequate performance in any area of endeavor in any organization, but I do not believe that that should necessarily discredit the whole enterprise.

Second, the developing institutions have as their mission that of service to low-income students, the downtrodden and the dispossessed. In other words, these institutions have set as their mission that of providing opportunity for access, attainment and productivity for a group of young people who, without these institutions, may not be in higher education at all, and many of whom might very well be in the criminal justice system.

The equal opportunity function, we believe, Senator, is which these institutions serve, is just as important to the country in the final analysis as the function which the major research institutions perform and which the land grant universities of this country perform.

And finally, I would say to you, Mr. Chairman, that we would be most happy to have visitations to some of these campuses on the part of members of the committee or staff, to see firsthand what the title III funds mean to these institutions. We think it would be an enlightening experience to have a talk with some of the young people on these campuses who are the real beneficiaries of the funds which Congress provides.

Senator **Pell**. Thank you very much indeed, gentlemen, for your testimony. I guess the question that concerns me, and I am sure, some of my colleagues, is the effect on the youngster graduating from an institution with a bachelors degree and still being in an uncompetitive position with other recent graduates.

When that happens, that youngster becomes frustrated and disappointed. So I find myself—and I mentioned this in the previous days' testimony—believing there should be a renewed emphasis on the quality of education.

I am not sure that everybody should be a college graduate—certainly, if they feel that is the key to a particular kind of job. They should pursue it. If they see being a college graduate means enhancing their life, that is a different thing. But I think for a young man or a young woman to get an A.B. and then feel, by gosh, that the world will open up and they will be able to achieve their aspirations is a disservice to them unless they are really equipped to do it.

Now, we have two definitions here of developing institutions, and this is what this discussion is all about. The present law reads that,

> The institution is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services and is, for financial or other reasons, struggling for survival and isolated from the main currents of academic life.

The new proposed language goes to the student body and defines a developing institution as an institution the enrollment of which includes a substantial percentage of students from low income families, and the average expenditures of which are low per full-time equivalent student in comparison with the average expenditures of institutions that offer similar instructions.

So this is really what the essence of the argument is about, and there are very good points on both sides. In both the House bill and the administration bill, you can see that the definition of a developing institution is characterized really entirely by the student body factors.

Now, do you believe, if any of you care to respond to this question, that these factors are the real judge of what is a developing institution, or not?

Dr. **Butler**. I would like to respond to that, Senator Pell, because the very use of the term, "qualitative improvement," poses problems for Federal administrators, because they want to quantify everything.

The term which constitutes the first phrasing of the strengthening developing institutions' legislation says "Institutions which have the desire and the potential to make a substantial contribution to the higher education needs of the nation," and there is a trailing clause relating to the economic condition and the general condition within the community—that is, "isolated from the main currents of support." Now, that trailing clause has been moved up to first point of attention, particularly because it has a negative content.

The institution which educated me was founded in 1867 as an integrated institution in the heart of the State of Alabama. It was one of the finest liberal arts colleges in this Nation, and the proof of it is the production and the performance of its graduates. That is the only measure of the quality of an institution.

When these quantitative factors began to be applied to that institution and other institutions as developing institutions, a whole new lexicon, or a whole new glossary, came into the actual administration of the program.

It seems to me that we do know what quality is in education. It seems to me that we also know what it means to qualitatively enhance the performance of an institution. If we were content to use those measures, we would stop trying to quantify even the programs. A program of faculty improvement cannot be quantified in the way that they want measures to be quantified. A program of administrative improvement cannot be quantified in the way that they are now requiring that quantification.

While I am at it, if I do not have another opportunity, this program was designed to enhance and strengthen the institutional base. It is a credit to title III that while a large number, and too large a number, of institutions have gone out of existence for financial and other reasons, not a single institution which has participated as a recipient and a beneficiary of the network of title III operations has gone out of existence in the past 14 years.

Now, there are those who want to make this a contract program on a 1-to-1 basis. Institutions require things which cannot be effectively done on a 1-to-1 basis, just as hospitals cannot have all equipment on a 1-to-1 basis. There has to be among the small institutions a pattern and a network of sharing. There is a network which has been developed which we now call assisting agencies and which was initially conceived to be a part of the cooperating agreement.

There is a measure of sustained relationship between the larger institutions and the smaller institutions in the utilization of expensive equipment like computers and other kinds of equipment which cannot be done on an institution-to-institution basis. There is continuing an exchange of students in sharing courses, where one institution cannot offer a full range of courses. There are between institution and businesses cooperating relationships where students share experiences in business entities and where faculty members participate in research centers.

Not until just about 4 years ago was any research center available to members of faculties of smaller institutions who could not be in the choice group that went to Palo Alto or the Center for Advanced Study or something of that sort, yet the need for that kind of experience is as prevalent in the small college faculty as it is among the others. Title III has enabled small college faculty people to participate in places like Argonne Laboratory and other major centers, and bring that experience back to the college center and into the college curriculum.

I do not think that all of these other kinds of machinations and particularly these factors which have now come to be reflective of racial tensions, should fracture that arrangement which has been so beneficial for the last 14 years to this Nation. It has enabled these institutions to peform better for the benefit of the large range of disadvantaged persons. Moreover, the final proof is that in 1964 and 1965, less than 3 million people were in the higher education structure altogether. There were only 2,168 institutions. Of the 2-year institutions, there were about 600, and 467 of them were unaccredited. Now we have, in just a little over 10 years, an increase of persons in higher education in institutions to 11 million. Even the minority population has tripled in higher education.

The institutions have moved from 2,000 to 3,000. The 2-year institutions have moved from 600 to 1,200. The accreditation has moved from some 20 percent to 80 percent, and this is basically because of the way in which title III has been a catalyst to the larger participation by other Federal agencies and entities in higher education. It has even affected the performance of the land grant program. I hope that you will take a look at the history of the land grant program, which was initiated in 1862, but which separated in 1890 into a peculiar paradox that set aside 17 institution on a basis of low appropriation and with absolute State discretion as to whether or not they would even participate in parts of what became the land grant appropriation. I hope that does not happen to the title III institutions.

Senator **Pell**. In this regard, I think you said that your college was founded in 1867.

Dr. **Butler**. Yes.

Senator **Pell**. Now, should a college founded in 1867 still be defined as a developing institution? If it was going to flower, shouldn't it have flowered in the last century?

Dr. **Butler**. Well, let me just say to you that we think, again, we have some kind of concept of a scale of up and down among institutions as developing. The institutions which receive the largest amount of support from the Federal government are the largest institutions and the wealthiest institutions, not the smallest institutions.

The concept of developing was only an accident. The word, "developing"—and I will tell you exactly how it came about. Mr. Peter Muirhead, who was to become the Associate Commissioner for Higher Education; Dr. Samuel Halperin, who was the Legislative Officer for the U. S. Office of Education, and I, were assigned the responsibility of developing and framing this legislation in cooperation with the Senate Committee and the House Committee.

The conversations at that time and the terminology at that time was geared to be negative. They were talking about disadvantaged people, they were talking about underdeveloped countries. I said that we are speaking of the higher education community of this Nation. We are not just speaking to ourselves in this room, and we are not just speaking to ourselves in this Nation. Whatever language we use will be adopted by those who like us and those who do not like us, and at least we ought to have a positive term. Instead of saying "underdeveloped," we ought to talk about "developing." Instead of talking about "weak," we ought to be talking about strengthening the strengths.

So we started with the word "developing," and the words, "desire and potential."

Senator STAFFORD. Doctor, what year was that?

Dr. BUTLER. That was 1965. I have, incidentally, a copy of my original testimony in February to the House committee, and I think it would be instructive just to reread that. It is on record.

Senator PELL. It will be put in the record at this point.

[The information referred to may be found in the files of the subcommittee.]

Senator PELL. Dr. Rivera?

Dr. RIVERA. Senator, I think the history of the program certainly has some value. However, it is clear that the operation of the program has been suspect for a number of years. Unfortunately, there have not been opportunities to do something about changing it, including a report that came out in 1977, which detailed that indeed, there were no differences between the "developing institution" and what is regarded as a developed institution. I think that really cuts at the heart of the matter.

The fact of the matter is there were several indicators that the researchers tried to find out if there were differences. The study indicated that no differences were found, with relation to money spent per student, more library volumes, a higher proportion of faculty with doctorate degrees, and I could go on and on.

I only make this point to illustrate that we know about the history of the program. There are questions about definition, and that is what I would like to turn to now.

What was adopted in 1965 is outdated for 1979. And I think it is important for people to realize that the Hispanic population in 1974, according to the U.S. census data, which is certainly very suspect by many accounts, at that time the Hispanic population accounted for 6 percent of the total population, and it accounted for 33 percent of the minority population. That was in 1974. The reason I make this point is because there is a whole new emerging minority population whose needs are going to have to be addressed; and, I think this may be the appropriate legislation to start talking about that question. Let us talk for a moment about quality education.

Hispanics do not have their own institutions, per se, as do blacks and in some cases, American Indians. They have institutions that are specifically directed for their purposes.

The Hispanic sector attend virtually all institutions in this country—community colleges, technical schools, 4-year colleges, excellent universities, public and private. For these reasons, we feel that the terminology and the language that is used currently, "substantial proportion," we think it would be much more correct to indicate, "students who come from environments in which the dominant language is a language other than English."

We would like very much to see this language as part of the purpose of the definition for developing institutions.

Second, we see that it is going to become increasingly important for people to justify, in quantitative terms, what they are indeed doing. That is, how many students are being educated—not only how many numbers of low-income students are being admitted in these institutions, but retained and graduate. There seems very little justification today to think that administrators in higher education can operate as they have in the past where maybe some of these things were not put in quantitative terms.

I would like to speak quickly, to the college endowment situation. I perceive that what the administration was initially thinking about in the challenge grant was an opportunity to incorporate some type of comparability for the college endowment fund. This concept is not stated in those terms. And while that may have some merit, it should be reexamined in that light.

It would seem to me in the challenge grant, that the longer an institution stays in the developing institution program, that the institution should be making, in my estimation, a more sizeable contribution. The contribution of the Federal Government would decrease by a likely amount. It seems that the initial, up-front type grants should be larger, so that the grants would decrease over a period of time, in order to provide the institutions to develop some abilities to be self-sustaining.

Senator **Pell**. Thank you.

Senator Stafford?

Senator **Stafford**. I am addressing this question to both Dr. Butler and Dr. Law. As a result of the language in the House bill, as I understand it, that language provides in effect for a phasing out of institutions from the program that have been in the program a long period of time, since it appears to provide that institutions which have been in the program for a number of years must now apply for a terminal grant. I wonder if you would care to react to the House bill in that respect.

Dr. **Butler**. I think both of us would like to respond to that.

Senator **Stafford**. I would appreciate it if you both did.

Dr. **Law**. Yes. I think first of all, we need to look back at the history of the funding pattern that only in recent years shifted from a single year mode of funding to multiyear funding. And the multiyear funding strategy, in our estimation, has been one of the best things that has ever happened in terms of the amendments to this particular piece of legislation.

It has given us an opportunity over a long-range period of time to build something that is sustaining within these institutions and to have some critical impact on the behavior pattern and really strengthen what was the intent of the original legislation.

And the reason why we support the two, the short range and also the long-range situations, is because of the fact that it does give us an opportunity to build in something and institutionalize whatever institutional changes were meant to be at the beginning.

I think the real crux of the matter is that we would like to assure, however, that it be done on an institutional basis rather than across the board, because of the fact that there are differences or deviations between institutions, to have these kinds of options, but to get into either one of these particular modes.

Senator **Stafford**. Thank you.

Dr. Butler?

Dr. **Butler**. I would just like also to draw another parallel. This is an institutional support program. Unfortunately, a lot of people have got this concept mixed up. Title IV provides for the range of student assistance considerations; title II, the library considerations; title I, the school community considerations. But this particular title has as a precedent legislation like the Land Grant Act, and similar acts such as the organization of the National Science Foundation which had a research interest and which is institutionally connected. And I think we ought not to mix these two things.

But with respect to termination, every grant which requires an institution to achieve a higher level of performance also asks that institution to accept a higher level of fixed obligation, and the support for that higher level of obligation has to come from some place. Whether you are in business or industry or any place else, when you take on a larger obligation, it is going to cost more to carry it out.

I saw that clearly when I took on the administration of an institution. A foundation had given that institution a grant which escalated its obligation and required it to escalate its obligation further, and then it terminated. Now, that institution had not had a budget deficit for 30 years. When I came in, I predicted the year in which it would have its first deficit, if something were not done about it.

There has been something highly unrealistic about the assumption that these institutions with the small proportionate amount that is represented in the title III appropriation, could suddenly escalate into self-sufficiency when the private foundations were operating in the same way that the Government was operating, with respect to saying that they were only providing challenge grants. They, too, provided no general support grants; and they expected the institutions somehow to bounce between the Federal Government and the private sector.

Now, it is my belief that again, were it not for the overwhelming burden of this program with the concept of group and race and these kinds of tensions, the idea of terminating just to get a group of institutions out would not be entertained. It did not prevail for the Land Grant Act. The Land Grant Act has been on the books for over 125 years. Nobody has ever talked about an institution being granted, and therefore should be out of the land grant support structure.

The public institutions have been supported ever since they have been initiated, both by Federal and State support. Now, title III is simply a supplemental program. It is not a basic support program. It supplements the arrangements that already obligate the institutions to a commitment of expenditure. It seems to me that the idea of terminating is wrong. The idea of review for accountability is wholly honorable and responsible. But the idea that an institution which performs well and takes on the larger obligation to the targeted population and in the service of the Government should have as its reward termination is a kind of contradiction that we ought not to entertain.

Senator **Stafford**. I thank you both very much.

Dr. **Rivera**. Senator Stafford, may I respond please.

Senator **Stafford**. Certainly

Dr. **Rivera**. I have a view that I think is not popular, pertaining to this aspect of funding institutions of higher learning.

I think that higher education institutions—as I am sure I need not tell anyone here—are undergoing a severe financial type crisis. The crisis is caused by the diverse student population, the shifting enrollments, and the different types of students these colleges and universities are serving.

I do, however, feel that maybe some institutions should not continue. I think that opinion has to be expressed, because, with the change in demographics, with the preparation of various types of professional people, and high energy costs, it may be questionable whether or not higher education is providing a service, as some of these institutions claim. Now, I raise that only as a global concern. Let me be very specific about title III and about the duration of the grant as it is suggested here.

The coalition feel that although the administration has called for termination of the grant after 7 years, the coalition does not support that position. We feel that it is a matter that should be handled in the most delicate fashion by people who administer this program. Further, we feel it should be done on an institution-by-institution basis, to determine what the needs of that institution happen to be. Thus, we feel that it would be a much more judicious and possibly, even a more humane way to deal with the funding question.

Senator **Stafford**. Thank you.

Senator **Pell**. Thank you very much.

Dr Law?

Dr. **Law**. Yes. I would just like to back up and comment briefly on the definition, with reference to the new definition, the new language. Somehow, the previous language was eroded perhaps by the general notion that so many things could be supported by the title III funds, and therefore, the reason why NAFEO feels so strongly about the new language, the definitive language, is that when you tie it in with low-income status of a student and a need-based piece of legislation, then it has nothing to do with that ethnic identity, because we know in the main where most of the low income and the need is, and if that is what we have been serving, then you get out of that mode of the numbers game and leaning heavily on ethnic identity.

That is the reason why we do not support the set-aside based on racial identity. It seems to us that from all indications again, as Senator Stafford was talking about the phaseout, it is not to be expected that some institutions can overnight, and in a period of 4 or 5 years, make up for all the deprivation that has been our plight over the many, many year, and do a complete turnaround with a small increment of dollars.

Sometimes, dollars just will not do it, and it takes a long, sustaining kind of thing. So I would hope that particular provision would be reviewed very strongly in terms of rather than saying that after you have been in it for 5 years, you should have reached the point where you are a Harvard, Cornell, or some other institution; it should be viewed basically on individual justification of need at any point in time.

Dr. **Rivera**. Mr. Chairman, the premise upon which Dr. Law is objecting to a set-aside, I find very suspect, especially as it pertains to the Hispanic population. We know that over 50 percent of our population start in the community colleges. The kind of set-aside we are asking for is 40 percent. The set-aside the administration called for, was 24 percent. That seems hardly adequate. This current year, the number of title III applications coming from community colleges was 50 percent. Yet, they are only allowed under the current law to compete for 24 percent of the funds. That seems rather inconsistent. Further, the fact that the community colleges seem to be doing as good a job and possibly better than other higher education institutions in servicing the low-income students, all minority student groups, and returning adult students.

Senator PELL. I am going to have to—all right, Dr. Law.

Dr. LAW. Senator, one brief comment with regard to the title. And perhaps that is a matter that has created as much problem for us as anything else.

Dr. Butler knows, I guess, better than anybody at this table, the history of this legislation and how the title was arrived at. And I suspect that the title that was arrived at, "developing institutions," was a compromise and did not really satisfy anybody totally.

But the point I want to make is this. It seems to me that what we are talking about in the association which I represent is that here is a segment of society that it seems to me that the government of the United States has established a policy with regard to, and that is a policy of support to a group of institutions that are doing a job that is in the national interest, just as the billions of dollars that are assisting our major research institutions are doing a job in the national interest, and the same with regard to the land grant institutions.

It seems to me that this is a job that is going to continue as long as we are a nation, because the poor, the dispossessed and the disadvantaged are going to always be with us. And any group of institutions that set out as their mission and their responsibility that of rendering services to the young people in this segment of society, it seems to me deserves the support of our government.

Senator PELL. I guess the problem that concerns me here is—I could not agree more that the blacks, the poor blacks, who have been in a terribly disadvantaged situation for many, many years, need help in getting into the mainstream of American life; Hispanics have that need, too. We are one country with one language, general, and equal competition, and opportunities as a goal.

And I think it is a frustration for a youngster who finishes college to end up as a truckdriver, and feel very upset that that is as far as he can go because he feels that that degree should have given him more advantages in the competitive marketplace. This is what worries me.

I also think that the name, "developing institution" is perhaps the wrong name. It should be "disadvantaged institution," because an institution that has been going since 1867 is obviously not developing. It is disadvantaged and needs help, and there, I would agree with you.

Dr. BUTLER. Senator, I beg to disagree with you, and I do not mean to be impolite. But we habitually transform every positive opportunity into a negative construct. We talk about people who are receiving aid to families of dependent children. I have worked with those groups of people. When I earned a doctorate in philosophy, my first job was in the juvenile court. I could not even qualify as a probation officer, because I was too educationally qualified for it.

But I worked with people who were negatively treated because they were negatively defined. And so negatively were they treated that young ladies, children, who had grown up with aspiration for education, found that their parents were unable to use AFDC funds to assist them in their education; found that their families could not stay together as husband and wife because of the operation of welfare agency structures.

Now, it would be a terrible thing to I see tensions here between blacks and Hispanics. The Indians ought to be here. The Native Americans ought to be here, because the first consideration, that was written into this language, even at the Wingspread Conference before it came into legislation included Indians and Hispanics. President Johnson's brother-in-law was a representative of the Hispanics and Indians at that time, and he saw to it that the consideration about the Hispanics and Indians fit into the framework of all the considerations. The Puerto Ricans, the Native Americans, it was all written into the language that is in the history of this legislation. The problem is that there was not an institutional base for Indians and Hispanics, and that is where the problem is with respect to the Hispanics. At that time, and even now, there are only three Hispanic administrators of institutions of higher education. I fought that battle 10 years ago, because it is absurd that that many persons of Hispanic classification—because Hispanic is not a race, but is a language classification that we have come to. It contains all colors of people. Many of whom are out of the institutional structure of higher education.

Last weekend I was in a meeting for two days. It was supposed to be a meeting to try and get closer cooperation between Hispanics and Blacks. There is an intensive effort in that regard. I looked around that room, and saw there were people who in this room would be classified as white. The Hispanics are classified as brown. The light skinned blacks are classified as black. I had to bring to their attention that the darkest person in that room was Hispanic; the lightest person in skin color was black; and every Caucasian in that room was some shade of brown.

Now, interestingly enough, the person that the Hispanics think is the most powerful black in the Nation is of Cuban parentage. The founders of the NAACP were black French surname blacks, Jewish, Puerto Rican. As a matter of fact, the largest black collection, at least, the oldest black collection in the United States, the Shomburg collection, is that of a Puerto Rican. The most honored composer for whom there is an annual Puerto Rican festival, the Gottschalk Festival, in Puerto Rico, as a classical composer is a black American from New Orleans whose name was Jean Moreau Gottschalk.

Now, there are things like this. I remember that the first time that I actually had to live as a segregated person in higher education was not on my integrated campus as Talladega, but at the University of Michigan in Ann Arbor. And I have had my own Spanish-speaking friends—the dean of my college was married to a Mexican American, a very beautiful woman, who had beautiful children. Their son found the situation in Ann Arbor intolerable, so he just began to speak Spanish, and he is now a member of the Spanish community.

Now, somewhere in all of this absurdity, we must find a resolution. It seems to me that the spirit which brought forth the legislation in 1965 and those years was committed to this resolution. The whole fabric of the Higher Education Act and the Elementary Education Act had that same pattern. Title I of each of the acts committed education to an address to the community. In the case of the elementary system, it committed the secondary systems to community performance. In the case of the Higher Education Act, it committed the higher education community to community performance, and then went down the other series.

The student efforts were intended to outreach. I can tell you that the Upward Bound program, the pilot program, just as the pilot program for this endowment program, was created by the initiative of a group of blacks who gathered at the Moton Conference Center and who put a proposal in to the Office of Education which the Office of Education did not honor. We took the proposal out and put it into the new Office of Economic Opportunity (OEO). I watched the call to 40 institutions. They called not a single black institution. Five black institutions brought the original design. OEO got 12 takers among the other institutions and the Upward Bound program was started with 17 institutions, the 5 black institutions and the 12 takers.

If you look at the funding pattern in the Upward Bound program, now there is a problem of whether black institutions will even qualify to participate in terms of the funding appropriation.

I brought the design, which is called the higher education HEOC, and also the talent search concept. These came out of my knowledge of the operation and the effort of the National Scholarship Service and Fund for Negro Students (NSSFNS) and of the National Merit Scholarship Corp. with the support of the Ford Foundation, to establish the national achievement program.

Now, in 15 years of the operation of the national achievement program, over 40,000 talented—proven by test—young people have qualified, but less than 4,000 of them have been supported. And it is very strange that these young people have not even been able to qualify for BEOG's and all of that kind of thing. There is something wrong in all of this mix.

Last year, they got the national achievement group down to 4,000 finalists, but they only had 585 grants. So they made 3,000 young people feel that they were not eligible. We will not say, and we cannot say we did not have more than 585 grants. All of you are eligible, but it is just that the grant amount provides that only 585 shall receive.

It is the same with this group of developing institutions and this network which we call the developing institutions network. The appropriation did not permit adequate response to the institutions. Only $5 million was appropriated in 1965. One organization, the Council for the Advancement of Small Colleges, representing 102 white colleges—there was one black college in the group—had a legitimate proposal for the entire $5 million. The contest and the attention that you now see between blacks and Hispanics was between the small white colleges and the black colleges in 1965. We resolved that, because the Council for the Advancement of Small Colleges has been elevated in its capability to serve, and the colleges themselves have been improved by the program. And I think we can resolve this particular tension.

But the problem here is that the Hispanics, as Mr. Rivera just said, do not have an institutional base. The native Americans do not have an institutional base. And incidentally, the first college that was founded, Carlisle College, for the education of Indians, was founded by a Hampton Institute faculty member. The first teaching responsibility at Hampton Institute by both Booker T. Washington and Robert R. Moton was to the Indian students at Hampton because they could not go to any other college.

So I think that in much of this, we will have to, as a national obligation, diminish these tensions.

Senator PELL. I appreciate this, and it is a very strong statement, but we are getting way, way behind. We have more witnesses—go ahead, Dr. Law.

Dr. LAW. Senator, pardon me, but I just wanted a half a minute to sort of dispel a notion that I think is beginning to prevail in this Nation. As a university president, of a traditionally black institution, almost everyday we have to defend whether or not we should continue, and the backlog of it, I think, is the basis of quality.

And the notion has been that anything that is black has to be less than excellent and good quality.

Senator PELL. Aboslutely not. Howard University is superb, I think.

Dr. LAW. And it seems to me that somehow, we are going to have to dispel that notion, because as I indicated here in the testimony and over and over again throughout this country, that case after case, the black leaders of this Nation over the years, come from, and in many, many years to come, are going to have to come from the predominantly black institutions and they are quality leaders. Now, we know that in any institution, you will have people who are not going to be able to function after they go through that exercise. But I think it is a faulty notion that I think we need to begin to address and get away from.

Senator PELL. Thank you. I must draw this panel to a close. I thank you all. And any supplemental statements that you would like to make, they will be welcome and will be inserted in the record.

I thank you. I detect the seeds of, as Dr. Butler pointed out, some friction, and I hope that in the future, we can try to resolve it. At any rate, we will do our best. Thank you very much, gentlemen.

Our next panel is also on developing institutions. Sister Mary Coultas, president of LaRoche College in Pittsburgh; Dr. Donald Cannon, executive director of Northern Plains Consortium for Education, Jamestown, N. Dak.; Dr. Henry Monroe, executive director of New Hampshire College and University Council, Durham, N.H., and the Rev. Francis Breidenbach, president of Ladycliff College, Highland Falls, N.Y.

Senator Schweiker would like to be here, but he is at another committee, and he asked me to personally welcome you, Sister Coultas, and present his apologies.

STATEMENT OF SISTER MARY JOAN COULTAS, PRESIDENT, LA ROCHE COLLEGE, PITTSBURGH, PA.; DR. DONALD T. CANNON, EXECUTIVE DIRECTOR, NORTHERN PLAINS CONSORTIUM FOR EDUCATION, JAMESTOWN, N. DAK.; DR. HENRY MONROE, EXECUTIVE DIRECTOR, NEW HAMPSHIRE COLLEGE AND UNIVERSITY COUNCIL, DURHAM, N.H., AND THE REVEREND FRANCIS J. BREIDENBACH, PRESIDENT, LADYCLIFF COLLEGE, HIGHLAND FALLS, N.Y., A PANEL

Sister **Coultas**. Thank you, Senator.

It is a pleasure for me to be here this morning before the committee and before your staff members.

First of all, I sat through the last testimony, and I will try not to be repetitive of that testimony, but I really think Dr. Butler gave us an excellent background on the history of title III legislation, and I concur to a great extent with most of his testimony.

I am here in behalf of the Pennsylvania Association of Colleges and Universities, and I also represent that marvelous town which contains the Pittsburgh Pirates—and they are doing quite well back home right now.

I think that the initial purpose and definition of legislation for title III was very appropriate, and if you will just give me a moment, I think I can demonstrate very adequately that the institution that I also represent is a developing institution. First of all, its charter only goes back to about 1963. Our Middle States accreditation was very recent. But if I take the name of my institution and just put it in a series, I think you will see what I mean. If I say Yale, Harvard, Princeton, LaRoche, Vassar, and, with deference to the Chair, Brown, I think you can easily see that LaRoche College is the one institution that stands out by your lack of information on that institution. So we are out of the mainstream of higher education.

Senator **Pell**. I did not go to Brown, but I am a trustee emeritus, and very glad to be a trustee emeritus. Thank you.

Sister **Coultas**. I do believe that we fit into that definition of an institution that is attempting to move from the backwaters into the mainstream and also attempting to offer a quality program.

I think there are many institutions in the Commonwealth of Pennsylvania that are very similar to the college that I represent—if not by their newness, at least by their intent and purposes, and by perhaps not being totally in the mainstream of higher education.

While I think the initial intent of the Congress was a very worthy one, I think—and I agree with Dr. Butler—that the issues have been essentially clouded since 1965, and I think there are three problems that haunt this legislation: One, is the whole attempt to define "eligibility." Second, is the whole business of setting up some type of evaluative measures and criteria to determine that an institution receiving Federal funding as a developing institution, is indeed progressing into that mainstream in higher education.

Finally, I think that there have also been some problems with special interest groups in this bill, and Dr. Butler has already addressed that issue, so I concur with him. Incidentally, I had not

909

met this gentleman before, so it was really interesting for me to hear that testimony.

I would make a recommendation that we look at eligibility criteria that are relatively simple to administer, we concentrate on information that is already contained in every HEGIS report that goes in to the Federal Government each year from our institutions, and that we concentrate on basically three areas. If we are interested in serving disadvantaged students—and I certainly am—one of the 10 objectives of the institution that I represent is exactly that, to serve disadvantaged students who come out of both an economically and an educationally disadvantaged background, if we are really interested in doing that, I think we can find them by looking at the total Federal aid package that is given to the institution for these students.

Incidentally, I would like to say that I think it is important that we concentrate both on strengthening institutions and providing financial aid to students. If we do not do both of those, we do a disservice, because we may have students who are attending institutions that are not as strong in terms of a quality product.

I would also recommend that we look at both academic expenditures as reported in the HEGIS code, and also academic support expenditures. The academic expenditures give a good deal of information concerning the capability of an institution to really provide quality education. The support services expenditures supply us with information concerning the total service to students. So those are three recommendations that I make.

I then make a recommendation for evaluation and accountability measures to be established, and I think some of this can be written into the legislation, and some of it can be placed in the regulations. There should be a yearly evaluation which demonstrates progress on the part of institutions in a series of areas which I have given in my testimony. I think that there is a way to demonstrate faculty progress, to demonstrate that the library is a better library, to demonstrate the ability to provide better career services, which, Senator Pell, addresses itself to that whole question of placement of students.

We are receiving this year $83,000 of Federal funds in my institution, and I hope to come out of that year with a much better placement service for our students established within the college as a result of some of this seed money, as well as career education, which is part of the mission of my college, along with the liberal learning element.

I would also make a case for dropping the mandatory nature of cooperating agencies. I think sometimes, institutions can do the job by themselves. I think at other times, they may need help from the larger universities, but I think that should be discretionary and not mandatory.

And finally, I would like to make a case for the consortium arrangement. I think along with the bilateral grant, there are several very fine consortial arrangements operating. I would point particularly to the one to which we have belonged the small college consortium. I can demonstrate and have demonstrated in the testimony the benefits of that type of funding, a small amount going a long way to our institution.

I would also like to put in the record this morning two letters, one of them directed to the House legislation on this matter from the National Association of Independent Colleges and Universities, 70-some of which are in the State of Pennsylvania, and they have concurred with the testimony that I am making, and the second from the Council for the Advancement of Small Colleges, also representing a large number of institutions.

Thank you.

[The prepared statement of Sister Coultas follows:]

TESTIMONY ON
TITLE III OF THE HIGHER EDUCATION ACT OF 1965:
STRENGTHENING DEVELOPING INSTITUTIONS

PREPARED FOR

THE

SENATE SUBCOMMITTEE ON EDUCATION,

ARTS AND THE HUMANITIES

Presented by

Sister Mary Joan Coultas, President

La Roche College, Pittsburgh, PA.

Representing

The Pennsylvania Association of Colleges and Universities

October 5, 1979

I am Sister Mary Joan Coultas, President of La Roche College, Pittsburgh, Pennsylvania. I am pleased to be here today to testify in behalf of the 116 Colleges and Universities in the Pennsylvania Association of Colleges and Universities (PACU). I have been asked by James A. Ream, Executive Director of PACU, to address this testimony specifically to Title III, Strengthening Developing Institutions. As prelude to this testimony and in the Spring of this year PACU Committees worked on briefs which recommended changes in the Higher Education Act of 1965. The Committee on Titles II, III and VI had the following membership:

Francis J. Michelini, President
Commission for Independent Colleges & Universities

Sister Mary Joan Coultas, President
La Roche College

Jim Clark, Librarian
Marywood College

Frank Helms, Director of Library Science
West Chester State College

Edwin Adkins, Associate Vice President for Research
Programs & Development
Temple University

Thomas J. Galvin, Dean of Graduate School of
Library and Information Sciences
University of Pittsburgh

Douglas F. Libby, Jr., President
Delaware County Community College

Sister Margaret Huber, Director of Planning
La Roche College.

The recommendations from this brief (Appendix A) form the basis for most of my remarks here today. The Council for the Advancement of Small Colleges and The National Association of

Independent Colleges have also offered advice and join in concert with this testimony. Other recommendations are drawn from some fifteen years of experience in higher education as a psychologist, Dean of Students, Consultant to Developing Institutions and finally as President of a small but growing independent coed college (enrollment 1300) in the North Hills of Pittsburgh, which has benefited from Title III funds as a part of the Small College Consortium for the past four years. This year and as a third, and I might add, final try on the part of the College we obtained a full Title III Grant--one year's funding in the amount of $83,000. With this brief introduction I shall proceed with my remarks and recommendations.

I. The Case for Title III: Aid to Developing Institutions

In 1972 and as a part of the work of the Carnegie Commission, Alexander Astin and Calvin Lee published a volume of research findings entitled The Invisible College. They uncovered in their research some very salient facts about a relatively large group of four year undergraduate institutions which were identified as those having smaller enrollments, a relatively open admissions process (and therefore low selectivity) and relatively low affluence (as measured by low endowments and low E and G expenditures per student). The researchers also discovered that these criteria were also the best measures of "obscurity" which seemed to be the major problem of these institutions. Because the invisible college is private, it gets limited support from the state. Because it is unknown and lacking in technical sophistication it suffers in the competition for federal grants. Because its financial resources are minimal it cannot make attractive offers to students needing financial help. Because the invisible college is often church related in an increasingly secular society it must grapple with the question of retaining affiliation or severing the bonds with the parent church. These are problems that more elite higher educational institutions never encounter or if they do the encounter is minimal and with the built-in support systems to "ride out the storm," namely strong endowments, powerful alumni, and sufficient levels of managerial and administrative expertise.[1]

The logical question in the mind of the reader at this point has to be "Why bother saving these colleges," "Why bother investing resources in colleges which are this vulnerable?" "Does American higher education need these institutions?" In 1972 Astin answered this question by demonstrating that the 500 colleges studied provide a valuable undergraduate educational experience for a large number of students who would not survive in the great educational factories, in the large impersonal masses of the universities nor can they afford nor even feel comfortable at this point in their young lives in the elitist halls of the Ivy League. Students in these colleges are by and large the sons and daughters of the working class; many of them have strong ethnic ties; many of them are black or women or chicanos; many of them are first degree earners in their families. In other words, as those out of the mainstream they match, to a greater or lesser extent, the colleges which they have chosen. In the state of Pennsylvania, which I represent, a large number are the sons and daughters of steelworkers in Pittsburgh, or miners and foundry workers in northwestern Pennsylvania or migrant workers in Erie. They represent some of the finest human "raw material" in the fabric of American life. I believe that they have a right to a rich higher educational experience. But I have also found that very often they need a warm, accepting, nurturing environment in their earlier years in higher education. I believe that they need at least the right of access to colleges which will provide them with more personalized and individualized experiences, which will accept them as they are, with whatever educational deficiencies which they may possess and "stretch them"--intellectually, developmentally, personally--as far as they can be "stretched" in four years. I believe, in other words, that the diversity in higher education can only be preserved by keeping alive and vibrant all of the educational options that exist in this rich country, the Community Colleges, the large university system, the more elite colleges and universities and particularly the small invisible colleges who are, I would add, the third-class citizens in our society, even though Astin has clearly demonstrated that these colleges are doing a very fine job with very limited resources of providing a holistic education, personalized learning and the development of pre-professional and technical skills needed for upward mobility in our society.

---

[1] Astin, Alexander W. and Lee, Calvin B. T., The Invisible College. Eighth of a Series of Profiles Sponsored by The Carnegie Commission on Higher Education.

How does Title III fit into all of this? Since the passage of legislation in 1965 providing aid to developing institutions, Title III funds have been instrumental in strengthening the Community College system, the Black Colleges and other Colleges addressing themselves to the educationally and economically disadvantaged. I believe that this type of funding is essential to the maintenance of a strong diverse system. It serves no purpose to pour large sums of money into student financial aid, if the colleges serving the higher numbers of students eligible for financial aid packages are not concurrently being strengthened. While the intent of the Congress regarding Title III was an admirable one and while I believe that the monies allocated over the past ten to fifteen years have impacted on those institutions which were, and in many cases still are "struggling for survival" and "isolated from the main currents of academic life," my purpose in testifying here today is to offer suggestions for stronger and hopefully more equitable legislation in this area.

II. Recommendations for the Improvement of Title III Legislation

The Pennsylvania Association of Colleges and Universities (PACU) represents 116 Private and Public regionally accredited colleges and universities in the Commonwealth of Pennsylvania--virtually all of the higher educational institutions in the State. Pennsylvania also contains its "fair share" of invisible colleges. The PACU also speaks with "one voice" to the issues confronting higher education. The initial committee which I chaired to examine and make recommendations regarding Title III contained representation from all segments of the higher educational community in the Commonwealth. We were vitally aware that in FY '79-80 actual allocations for Title III totalled $120,000,000; yet Pennsylvania Colleges received only $1,061,000 of that total. The small and disproportionate share of Title III funds allocated to the State of Pennsylvania is directly related to two problems which have haunted this legislation since 1965, namely:

A. The problem of definition of a "developing institution";

B. The related problem of eligibility for funding under Title III.

A. Theoretical Definition

The Committee had no problem with the theoretical definition of a developing institution as one that has "the desire and potential to make a substantial contribution to the higher education resources of the nation" and that is "struggling for survival and isolated from the main currents of academic life." The real problem is in translating this definition into operational language or the question of eligibility.

B. Recommendations for Eligibility

In general, the PACU Committee to review Title III recommends that the method of establishing eligibility for funding under the Title be equalized and that institutions be required to undergo an evaluation before continued funding is assured. Specifically, it is recommended that following additional criteria be included with the two presently contained in Section 301 in the Bill:

1. Academic expenditures per FTE as reported in HEGIS.
2. Academic support expenditures per FTE as reported in HEGIS.
3. Participation in ALL campus-based federal student aid programs, as well as BEOG's, for determining "low income" students in SEC. 301 (b) (2).

The rationale for the above recommendations is as follows:

1. Use of the HEGIS code as the base for information places no additional burden on the Title III staff, nor does it overtax the already overtaxed administration and staff in a developing institution.
2. Academic support expenditures per FTE is one of the best indices of what an educational institution is capable of doing for its students and also provides a partial indicator regarding the extent of help needed and over what period of time.
3. Total campus-based federal student aid is a better index of the extent to which an institution is providing access and education to the low income student, rather than limitation of the formula to include only BEOG's.

C. Recommendations for Evaluation

Given some of the problems with Title III legislation over the past fifteen years and as an attempt to create greater accountability and to insure that ongoing funding is being provided to the most deserving colleges it is recommended that:

1. A yearly evaluation requirement be built into the current revised legislation, and that the criteria for this evaluation be established by the Secretary of Education.

The Committee suggests that demonstrable progress in some of the following areas might be required:

- a. Enrollment patterns in line with institutional projections;
- b. An increase in faculty qualifications and faculty salaries;
- c. Incremental increases in the size and quality of library collections where the collection has been below ALA standards;
- d. Improvements in student retention;
- e. Improvements in or maintenance of a good management system;
- f. An audited statement for the prior fiscal year demonstrating that the fiscal operation is sound; or, at the very minimum, a sound operational plan to move the college into a sound fiscal position during the five years following the current fiscal year;
- g. Demonstrable movement toward achieving the objectives set forth in the Title III

proposal during the period of current funding;

h. Incremental increases in the Endowment or quasi-endowment fund of the college or, in the first year of funding, an operational plan to increase endowment.

A workable institutional combination of some of the above criteria would gradually insure that colleges would move out of the developing institution classification and gradually into the mainstream of higher education. It would further insure that tax dollars are being well spent. In order that the process of setting final criteria is done in an equitable manner and with consultation with Title III colleges, I have a corollary recommendation as follows:

That a Board of Overseers be established, similar to a Board of Trustees or to the Advisory Board of one Title III Consortium of which I have been a member. This group would be composed of one member of each of the higher education constituencies served by Title III (e.g., Community Colleges, Black Colleges, Women's Colleges, Church-related Colleges, etc.) They would have as part of their responsibility to monitor the equity with which the grant is being administered and to oversee the evaluative process for Title III colleges.

D. Recommended Authorization

The recommendation of the Committee regarding levels of funding is based upon two principles:

1. The tremendous need of a large number of developing institutions for funding

at levels which will truly impact on the educational service which they provide.

2. The tremendous impact of inflation on these already beleaguered and struggling colleges.

It is, therefore, recommended that $200,000,000 be appropriated in Section 301 (b) (1) for fiscal year 1981; $220,000,000 for fiscal year 1982; $240,000,000 for fiscal year 1983; $260,000,000 for each of the fiscal years 1984 and 1985.

E. Purpose and Duration of Grant

Grants should be given to any developing institution with a good proposal which meets the criteria already established under the section on eligibility and which can demonstrate that it will plan, develop and implement activities that promise to strengthen the institution. Special emphasis should be placed on the following areas:

1. Faculty development;
2. Development and improvement of academic programs;
3. Development and improvement of student services, including admission and retention;
4. Development of better administrative and fiscal management systems including planning systems.

Funds should be awarded for not less than two nor more than seven years, subject to yearly evaluation as outlined earlier in this testimony.

F. General Recommendations

Given the changing needs of higher education over the past ten years and given the attempt at more equitable legislation, the Committee makes the following recommendations:

1. Recommend under Section 304 to delete 304 (b) (2) and (3). The National Teaching Fellowships and Professors Emeritus Grants allowed for here are not in the mind of the Committee to the progress of developing institutions in general. In the same vein the Committee recommends the deletion of Section 304 (c) (2) and (3).
2. In order to provide greater equity in the administration of Title III funds, the Committee recommends the deletion of Section 305 (b) (2) which authorizes the Commissioner to give priority consideration over non-developing institutions to applicants under this Title.
3. The system of separate grants to basic and advanced developing institutions should be replaced by a single program of grants to eligible institutions. The years have proven that it is difficult enough to define a developing institution, let alone to create a good operational distinction between developing and advanced categories. This year's regulations were based on the one category premise and seemed to be more workable.
4. Serious consideration should be given to the possibility of including in the program

a component of federal grant funds to be set aside, together with required matching institutional and/or state funds, as endowments from which self-sustaining income can be derived--gradually to reduce and replace institutional dependency on Title III grant support. The inclusion of challenge grants is directly related to resolving the matter of equity in the eligibility criteria. If 200 or more truly developing institutions are going to be excluded because improper criteria which serve only the needs of special interest groups are applied, then this recommendation is inappropriate.

III. The Case for Consortial Arrangements

While the major part of this testimony makes a case for the bilateral grant given to an institution which, then, contracts with more experienced and established colleges, universities, and consulting services for necessary services, I would also like to say a word in behalf of consortial arrangements as a means of providing assistance to developing institutions. During the past four years La Roche College has been one of a group of participating colleges in the Small College Consortium (SCC). These participating institutions range in size from about 300 students to about 1550. The mean enrollment is 907.

Each institution receives approximately $20,000 per year and contributes $2000 per year. From the federal dollars, a college hires an On-campus Coordinator and a secretary, each of whom must be assigned at least two-thirds time to project-related activities. The SCC staff now consists of 10 individuals who provide technical assistance to the colleges involved in the following areas:

Area I	Planning Management Information Systems Fiscal Management
Area II	Marketing Recruitment/Admissions Retention Financial Resource Development
Area III	Curriculum Development Career Development Student Development
Area IV	Faculty Development and Evaluation Administrative Development and Evaluation Organizational Development

The professional staff is competent, personable and highly motivated to aid in the development of the institutions whom they serve.

The advantage of this type of well operated consortium are many but I have enumerated a few:

A. A smaller amount of money reaches a greater number of colleges;

B. Services are centralized and efficiently administered;

C. Provision is made for competent technical assistance;

D. High impact is effected for low federal dollars;

E. The continuity of personnel and the professional relationships fostered by the Consortium contribute to institutional development;

F. Consortial activities provide inter-institutional involvement and support among the colleges;

G. There are both program and process outcomes.

The outcomes of this arrangement in my own college have been highly significant. (Appendix B)

The Grant has provided:

A. A new rolling contract for faculty as an alternative to tenure, with a full evaluation component developed completely by faculty with technical assistance from the SCC staff;

B. Opportunities for management in-service training for new and younger administrators and professional staff;

C. The development of an automated management information system and the needed in-service training for staff to move from outdated manual systems to automation with the least amount of pain;

D. The strengthening of our Mentor Advising Program;

E. The strengthening of the Career Development Office and Career Services to students;

F. The first year of major curriculum evaluation and renewal.

In summary and for the reasons given, I recommend that the Title III legislation provide for this type of consortial funding as well as for the bilateral arrangement.

SUMMARY STATEMENT

Finally, I would like to point out that while Title III funding is but a small portion of the total funding of higher education in this nation, it is very vital to a group of colleges, larger in number than most people realize, who are sincerely committed to serving the needs of a large number of students, particularly the economically and educationally disadvantaged. The foundations upon which this nation is built hold out the hope to these students and to all of us for a better and more educated citizenry. The very notion of a democratic society which works for all of us depends upon this. It is in this spirit that this testimony is presented to the Senate Committee on Education, Arts and the Humanities. It has been a pleasure to testify before you in behalf of The Pennsylvania Association of Colleges and Universities. Thank you.

APPENDIX A

La Roche College Office of the President Pittsburgh, PA 15237 (412) 931-933

January 22, 1979

Enclosed please find a draft of recommendations made by the Members of the PACU Task Force to review the Higher Education Act of 1965, Titles II, III, and VI. The meeting was held in Harrisburg on January 15, 1979 with five committee members present: Francis J. Michelini, Sister Mary Joan Coultas, Jim Clark, Frank Helms, and Margaret Huber.

Since the schedule for completion of this project is very tight, we request that you read over the draft and respond by telephone if you have any corrections or additions to the recommendations. Please call Dr. Margaret Huber at La Roche College (412) 931-9333 by Thursday, January 25, 1979.

If necessary we may schedule a second meeting of the committee for the week of January 29 to discuss any other recommendations.

Sincerely,

Sister Mary Joan Coultas, Ph.D.
President

Enclosures

6

TITLE II - COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

General Principles:

That Academic Libraries should receive these grants which are beneficial to those with small library resources budgets.

That inflation has placed a great burden on the library for cost of books and periodicals, and that authorization should be increased.

That the philosophy of funding special purpose grants should be to encourage cooperative arrangements for sharing library resources.

That the rules and regulations for this Title be reviewed biennially by Congress to certify that they reflect the intent of this legislation.

Recommendations:

Recommend to delete 201 (a) (2).

Recommend to continue authorization at least $120,000,000 in 201 (b).

PART A

Recommend to strengthen and continue basic grants, 202.

Recommend to change the maximum amount of the basic grant per institution of higher education from $5,000 to $15,000 in 202.

Recommend liberalization of maintenance of effort under 202 (1) (B) to require only a direct match in library resources.

Recommend to delete Supplemental Grants, 203.

Recommend to strengthen Special Purpose Grants to encourage a philosophy of sharing library resources by limiting them to consortial arrangements for sharing library resources and renaming section 204 "Special Purpose Consortial Grants."

Recommend to delete 204 (a) (2) (A), (B), and (D).

Recommend to retain 204 (a) (2) (C) to encourage consortial arrangements and to add to that section a statement that funds may also be used for bibliographic access materials.

Recommend to liberalize maintenance of effort by deleting 204 (b) (2).

Recommend that eligibility for funding under Special Purpose Grants be given to consortia or arrangements in which 75% of the participating institutions are also eligible for Basic Grants.

PART B - Recommend to delete Part B.

PART C - Recommend to retain Part C and authorize funding at $20,000,0

TITLE III - STRENGTHENING DEVELOPING INSTITUTIONS

General Principles:

That inflation is an important factor in setting authorization for appropriations to this title.

That rules and regulations for this Title be revised biennially by Congr to certify that they reflect the intent of this legislation.

That a method of evaluating eligibility for funding under this grant be equalized and that institutions be required to pass an evaluation before continued funding.

Recommendations:

Recommend to authorize $200,000,000 to be appropriated in section 301 (b) (1).

Recommend to add to 302 (a) (1) (D) a new section (iii) to read:

> is a developing institution to the extent that it successfully fulfills the following criteria:
>
> --Enrollment patterns (viable over past five years and projected over the next five years)
>
> --Faculty Qualifications
>
> --Faculty Salaries
>
> --Institutional Need for Faculty
>
> --Size of Library Collection
>
> --Quality of Library Collection
>
> --% of BEOG Students
>
> --E&G Expenditures per FTE (five years past and five years projected
>
> --Projected Five-Year Budget
>
> --Demonstrable Management System
>
> --Endowment less than ____% of Operating Budget

Recommend under section 304 to delete 304 (b) (2) and (3), National Teaching Fellowships and Professors Emeritus Grants.

Recommend to delete 304 (c) (2) and (3).

Recommend under 305 (b) (2) to delete the authorization of the Commissior to give priority considerations over non-developing institutions to applicants under this Title.

TITLE VI - FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

General Principles:

That this assistance for undergraduate instruction should continue.

That television has not proved to be the important teaching tool that was expected and should be included in one general appropriation.

That the cost of equipment for teaching has increased considerably through inflation.

Recommendations:

Recommend to retain PART A Equipment for the improvement of undergraduat instruction and to delete PART B.

Recommend under Section 601 (b) and (c) that the authorization for appropriations be combined into one grant, eliminating the emphasis on television for instruction, e.g., authorize $70,000,000 for Section 601 (b).

Recommend to add under Section 603 (2) (A) to "suitable for use in providing education in NATURAL AND SOCIAL SCIENCES, [illegible]thematics . . ."

Recommend to add under Section 603 (2) (A) that business programs may be included as eligible for equipment grants.

NAME OF INSTITUTION	GRANT NUMBER
La Roche College	G00780474

PROGRESS REPORT

PROGRESS REPORT FOR THE PERIOD BEGINNING (Date)	AND ENDING (Date)
July 1, 1978	June 30, 1979

Please send two copies of this Progress Report to the Division of Institutional Development and retain a copy for your records. Please explai ress of the cooperative arrangement(s) and National Teaching Fellowship program in terms of the aims described in your application. Disc lems you encountered and how you solved or failed to solve them.

In the Title III proposal submitted in the spring of 1978, the Institution identified computerization and Management Information Systems at the College as the program activities for 1978-79. Institution development activities, as well as follow-up in the areas of administrative and faculty development, were also indicated.

For the computerization program, the extent of need of assistance (once the hard and software were selected) was naturally contingent upon the amount of service offered by the vendors. Small College Consortium technical assistance was very useful, particularly in the first months of the current grant year when staff members identified a number of institutions with whom La Roche could consult or to whom questionnaires might be sent. A questionnaire was distributed which requested information on the use which a particular institution made of its data processing, the configuration of its system, the type of software chosen, the reliability, maintenance, staffing, operations, and vendor support of the system. The results of the questionnaire proved very useful to the administration of La Roche College and a copy of the results was shared with the technical assistance staff of the Small College Consortium national office. We have, subsequently, been in communication with some of the respondent SCC colleges.

La Roche had installed two computer terminals under the time-sharing system in the 1977-78 academic year and began to use this system for improving the mailing operations of the College in fall, 1978. The Consortium secretary was

SIGNATURE OF PROGRAM COORDINATOR	DATE
Marjorie A. Nickel	July 20, 19

trained in the basic use of the computer and typed in names and addresses of nearly 2300 students and alumni. This material has been used, to date, for mailings by the Registrar, Financial Aid, Student Services, and the Institutional Development Office.

In the final months of the grant year, consultant services were provided by the selected software vendor (Ultimate) in preparation for the July installation of a Honeywell 6/43. Therefore, technical assistance from the Consortium was not required.

College administrators felt that a third year of Program Cost Analysis data would be useful. This data was collected by the Special Assistant to the President and the assistant to the Registrar, programmed through the CASC National Research Management Project, and paid for with Title III funds. The data has been turned over to the Director of Institutional Research and Planning, a position new to the Institution this year. This spring, at the request of the Long-Range Planning Commission, the On-Campus Coordinator planned and coordinated data collection for the Small College Goals Inventory developed by the Educational Testing Services in conjunction with CASC. One hundred and forty-two questionnaires were completed by administrators, administrative staff, part-time and full-time faculty, and part-time and full-time students. This material will be analyzed by the Director of Research and Planning and shared with the Planning Commission in the fall.

In the area of faculty development, the Title III grant supported activities in the areas of curriculum development, academic advising, and faculty evaluation. As outlined in the 1977-78 plan, the Institution began activities in curriculum development in spring, 1978. A Steering Committee and a number of subcommittees, in place by fall, 1978, reviewed the qualities of the ideal student as outlined in the task force document. They expanded, modified, and ordered in terms of priorities this list, which has for all practical purposes become a set of curriculum objectives. The subcommittees then engaged in reviewing the current curriculum to determine the areas in which the objectives are now being implemented. The curriculum committee has been assisted by the attendance of three Institutional personnel--the Academic Dean, the former Assistant to the Academic Dean, and the Chairperson of the Steering Committee--at the September Consortium workshop on Curriculum Development and Course Design. Subsequently, Dr. Cliff Garrison visited the La Roche campus and met with the committee and interested faculty to assist them in the on-going planning of the project. Several subcommittees met through the fall semester, and in spring the Steering Committee synthesized the major recommendations and proposed a model for four-year curriculum revision. In the fall of 1979, the Institution will begin to make plans for the adoption or revision of these proposals.

As the College grows and the number of majors in particular areas increases, the faculty and administration have come to a realization of the need for reorganizing the academic advising program. In February, the Assistant to the Academic Dean and a counselor from the Developmental Education Center attended the Small College Consortium workshop on Academic Advising. In early March, Consortium funds were used to pay registration fees for Sr. Matilda Kelly, Sr. Marilyn Bergt, and the On-Campus Coordinator to attend an ACT conference on Academic Advising held in Pittsburgh. As a follow-up, Dr. Joan North visited the campus on March 8 and 9 and spent an entire day facilitating faculty consideration of the questions involved in reorganizing the advising program. At a faculty meeting a few weeks later, consensus was reached on the essential elements of academic advising at La Roche College. However, since an agreement was not reached on the questions of 1) who should advise and 2) distribution of load if only some faculty advise, revision of the academic advising program will not take place in the fall semester.

La Roche College (founded in 1963) has never had a tenure system. Faculty have received annual contract renewals and promotions based on a rather informal system. The College has had a faculty evaluation instrument for some years, however. Revised in the 1974-75 academic year, the instrument did not provide a means for merit increases, nor was it to be used for decisions of contract renewal or termination. Because the Institution is now developing a rolling contract system which has currently reached the Board level of decision-making, it was necessary to once again revise the faculty evaluation system so that it could be used in conjunction with the rolling contract.

In October, two faculty members attended the Consortium seminar on Faculty Evaluation in Chicago. On their return, the Faculty Evaluation Committee prepared a list of key questions for all faculty and conducted a two-hour feedback session in November. After numerous committee meetings and feedback sessions since that time, the evaluation instrument is now in its third draft ready for presentation to the Rolling Contracts Committee, and, in September, for presentation to the Academic Senate. Through the year, the committee has received technical assistance from Dr. Joan North. In February, the On-Campus Coordinator, a member of this committee, attended a workshop on faculty evaluation, which provided a key element in the weighting of faculty activities. It seems likely that this instrument will be ready for implementation by December, 1979, at the latest.

With respect to both faculty and administrative development, La Roche has benefited from the Southwestern Pennsylvania Higher Education Council and the Pittsburgh Council on Higher Education (SPHEC/PCHE) Kellogg-funded one-day seminars during the past academic year. A significant number of La Roche administrators attended workshops on Time Management, Management of Change, and Effective Leadership. Faculty and the Assistant to the Academic Dean have attended workshops on Facilitating Faculty Development, Program Implementation, and Strategies for Academic Improvement. SPHEC/PCHE awarded a small grant to cover the registration fee for a La Roche College Division Chairperson to attend the AAC workshop on Management for Leadership in the Academic Department, and funded the On-Campus Coordinator's attendance at the workshop on Faculty Evaluation. The On-Campus Coordinator is primarily responsible for the liaison with SPHEC/PCHE and all registration fees were paid with Title III funds.

While La Roche intended that Student Services be a primary area of focus during the 1977-78 academic year, the grant activities of that year were somewhat limited. However, department review continued, and to some extent increased, during the 78-79 grant year. The new Assistant to the Academic Dean, the new counselor for the Act 101 Achievement Program, and the new Director of the Career Development Center attended the November Consortium workshop on Retention Strategies. This workshop accomplished two objectives: provided input for the three individuals who attended, and more importantly, perhaps, gave them the opportunity to assess their areas of responsibility and their interdependence with the areas of their colleagues.

In November, the Director of the Act 101 Project Achievement Program, the new Residence Director, and the Director of the Career Development Center attended the Consortium workshop on Maximizing Peer Resources. Their attendance had the same dual result as that indicated above. The counselor for the Act 101 program worked with technical assistance personnel of the national staff and peers in other Consortium colleges in the development of an Early Alert System, which was implemented at La Roche College. The Project Achievement Staff, the Career Development Office, and the Residence Director had been making significant use of peer counselors both prior to and following their attendance at the Consortium workshops. The workshops offered opportunities to reassess and refine the programs functioning here on campus.

When the National Institute for Career Development was asked to serve as assisting agency for La Roche's 1979 Title III proposal, the Director, Mr. Ed Watkins, suggested that the Director of the Career Development Center, Linda Grossman, visit Doane some time this year so that the most efficient use of time be made in preparation for assistance during the coming year. According, Consortium funds were used for registration and travel fees for Miss Grossman to attend a workshop at Doane in late February. These contacts have continued, and Mr. Watkins has suggested that La Roche may perhaps become affiliated with the National Institute as an eastern site.

During the fall semester, Consortium funds were used to provide consultation of Dr. Charles Spence in the Career Development Center. Dr. Spence assisted Miss Grossman in the planning of services and development of the center.

As a follow-up of the November Consortium workshop, Cliff Garrison visited the campus in early April. Dr. Garrison attended a training session for peer counselors and spent some time with Miss Grossman in discussion of administration and use of the Career Center. Possibly as a consequence of these activities, Miss Grossman has been asked to assist in the presentation of a Consortium workshop in the coming year.

Finally, the On-Campus Coordinator has worked with the Director of the Career Development Center in identifying possible sources of funding for the Center. Travel money was set aside at the end of the grant year for a trip to Washington, DC, to pursue such funding, and communications were established with the Fund for the Improvement of Post-Secondary Education (FIPSE), a potential source.

During the second semester of the grant year, the emphasis of the project was directed primarily towards development activities. The entire month of January was spent, for example, on the preparation of the bilateral Title III proposal due in Washington on February 2. Since February, the On-Campus

Coordinator has been in contact with Mr. John McCartney of Senator Heinz' office, who has been assigned to be an advocate so far as this is feasible at HEW. Mr. McCartney spent a day at La Roche in March, received a copy of the complete proposal, has placed phone calls to the Office of Education, and written letters to Dr. Brantley and Dr. Moye evaluating the La Roche proposal in the light of the 1977 GSA report on the Title III program.

The On-Campus Coordinator refined and developed more fully a proposal written by the Academic Dean for the development of a program to help students and faculty to identify and clarify personal, religious, and career values. This proposal was submitted to the Crabbe-Pitcairn Foundation through the Pittsburgh Foundation, and was funded for $12,730. The On-Campus Coordinator has been assisting the Academic Dean in the identification of consultants to assist in planning and implementing the program.

The Consortium secretary, having become a full-time employee of the College in February, has spent the two additional days per week, plus quite a bit of her normal Consortium time, working with the Development Office on the Capital Campaign. Beginning in March, the On-Campus Coordinator also became involved, both in setting up appointments and in actual visitations. In mid-May, she assumed responsibility for the small business component of the capital fund drive. In this capacity, the On-Campus Coordinator renewed contacts with College volunteers (both staff and alumni), made calls to designated contacts, followed up on proposals which were sent out, and initiated new mailings.

The project activity of this third year of funding has clearly covered a fairly wide spectrum of College activities. An analysis of the program since the first year shows it beginning with a fairly narrow scope, then gradually broadening as a new major thrust is added each year and those of previous years are followed-up. Its wholistic and integrated approach becomes increasingly evident as the project moves into its final year.

Senator Pell. Thank you very much.

Father Breidenbach?

Reverend Breidenbach. Thank you, Mr. Chairman.

I am Monsignor Francis J. Breidenbach, president of Ladycliff College, in Highland Falls, N.Y. I am speaking on behalf of my college and as a member of the board of directors of the Conference of Small Private Colleges, an organization of 94 small private colleges and universities around the country.

Ladycliff itself is a small, private women's college, founded nearly 50 years ago by the Franciscan Sisters of Peekskill. It offers a liberal arts curriculum with specialization in professional training.

We, as a small private college are flexible and able to give individual attention to our students. Like the other 124 women's colleges in the country, Ladycliff provides educational equity and opportunities for women students.

Our problem. This year, 1979, the 18- to 22-year-old cohort peaked at 17 million. By 1995, there will be 4 million fewer young people of college age than there are today. In fact, the National Center for Educational Statistics projects a decline of 21 percent in enrollment at private colleges and universities by 1986.

As a minority within a minority—that is, a small, private women's college—we cannot survive alone. We need congressional help.

In my testimony today on the provisions of title III, I wish to address a significant facilities problem facing colleges and universities. I realize that title III does not deal with facilities and construction. But I wish to indicate a way that title III of the Higher Education Act can be linked to title VII.

The problem is we built our dormitories, libraries, classrooms, and dining halls to meet this peak load. In the next decade, we will still be paying the debt on those underutilized facilities.

Both the Congress and our own State legislatures encouraged us to serve the needs of this postwar wave of students. All of us, public and private institutions alike, built up our campuses and staffed them as if the baby boom would never end. From 1951 to 1973, colleges borrowed $3.8 billion from the Federal Government. Hundreds of millions more were borrowed from the State and Federal Government to build academic facilities.

The debt we incurred to fulfill a public function is now coming back to haunt us. We are overbuilt, and will be underenrolled. Our dormitory and dining hall debt will remain constant, while the number of students living and eating on campus will start to decline.

Unlike state institutions, where interest and principal on bonded indebtedness often does not appear in operating budgets, the independent institutions must pass on to students not only the full costs of amortization but also the inflationary costs of maintaining our new buildings and/or keeping up and trying to renovate our old buildings.

With a declining student population, independent colleges are doubly squeezed. Our fixed costs do not decline as quickly as enrollments decline. Therefore, prices must be pushed higher for the students who remain.

Many small independent colleges continue to survive only by dipping into endowments, paying significantly lower salaries than the public sector, or by depending heavily on a living endowment—the contributed services of a religious order.

Many small colleges have not survived. In the past 8 years, 91 small independent colleges have closed their doors. Now that the problem has been stated, what is the solution?

Is there some way in which that debt could be turned into an endowment? Could the interest and principal owed to the Federal Government be put into an escrow account and transformed into an endowment?

May I suggest that a new section be added to title VII of the Higher Education Act which would allow developing institutions, as defined by title III of the same act, to establish an endowment fund by paying into an escrow account the principal and interest due on Federal loans under both title VII and under title IV of the Housing Act of 1950.

I am not asking for the forgiveness of these loans. Only that for a specified period of time—ten years, say—that payment of interest and principal be made into a special account that would strengthen the facilities of developing institutions, not through new construction, but by arresting the decay of existing academic and residential buildings, through remodeling, renovation, and modernization.

In summary, I am asking Congress to bridge the gap that exists between the current modes of Federal aid to private colleges and the attention that is given to the small, private, residential college. Specifically, I am asking Congress to address the problem of debt payments in operating budgets.

Thank you very much.

[The prepared statement of Monsignor Breidenbach follows:]

STATEMENT OF MSGR. FRANCIS J. BREIDENBACH

THANK YOU MR. CHAIRMAN.

MEMBERS OF THE SUB-COMMITTEE.

I WOULD LIKE TO INTRODUCE MYSELF. I AM MSGR. FRANCIS J. BREIDENBACH, PRESIDENT OF LADYCLIFF COLLEGE IN HIGHLAND FALLS, NEW YORK.

ACCOMPANYING ME IS MR. JEROME M. SHOSTAK, EXECUTIVE VICE PRESIDENT.

I AM SPEAKING ON BEHALF OF MY COLLEGE AND AS A MEMBER OF THE BOARD OF DIRECTORS OF THE CONFERENCE OF SMALL PRIVATE COLLEGES, AN ORGANIZATION OF 94 SMALL, PRIVATE COLLEGES AND UNIVERSITIES AROUND THE COUNTRY.

LADYCLIFF COLLEGE ITSELF IS A SMALL PRIVATE WOMEN'S COLLEGE, FOUNDED NEARLY 50 YEARS AGO BY THE FRANCISCAN SISTERS OF PEEKSKILL. IT OFFERS A LIBERAL ARTS CURRICULUM WITH SPECIALIZATIONS IN PROFESSIONAL TRAINING.

WE EXIST BECAUSE IN A PLURALISTIC SOCIETY IT IS IMPERATIVE THAT SMALL PRIVATE COLLEGES, SUCH AS LADYCLIFF, CONTINUE TO EXIST ALONGSIDE THE STATE COLLEGES. WE ARE BOTH FLEXIBLE AND ABLE TO GIVE INDIVIDUAL ATTENTION TO OUR STUDENTS. LIKE THE OTHER 124 WOMEN'S COLLEGES IN THE COUNTRY, LADYCLIFF PROVIDES EDUCATIONAL EQUITY AND OPPORTUNITIES FOR WOMEN STUDENTS.

STATEMENT OF PROBLEM

THIS YEAR, 1979, THE 18-22 YEAR OLD COHORT PEAKED AT 17.156 MILLION. BY 1995 THERE WILL BE 4 MILLION FEWER YOUNG PEOPLE OF COLLEGE AGE THAN THERE ARE TODAY. IN FACT, THE NATIONAL CENTER FOR EDUCATIONAL STATISTICS PROJECTS A DECLINE OF 21% IN ENROLLMENT AT PRIVATE COLLEGES AND UNIVERSITIES BY 1986.

AS A MINORITY WITHIN A MINORITY (THAT IS AS A SMALL, PRIVATE, WOMEN'S COLLEGE) WE CANNOT SURVIVE ALONE. WE NEED CONGRESSIONAL HELP.

IN MY TESTIMONY TODAY ON THE PROVISIONS OF TITLE III, I WISH TO ADDRESS A SIGNIFICANT FACILITIES PROBLEM FACING COLLEGES AND UNIVERSITIES. I REALIZE THAT TITLE III DOES NOT DEAL WITH FACILITIES AND CONSTRUCTION. BUT I WISH TO INDICATE A WAY THAT TITLE III OF HIGHER EDUCATION ACT CAN BE LINKED TO TITLE VII.

THE PROBLEM IS WE BUILT OUR DORMITORIES, LIBRARIES, CLASSROOMS AND DINING HALLS TO MEET THIS PEAK LOAD.

IN THE NEXT DECADE WE WILL STILL BE PAYING THE DEBT ON THOSE UNDER UTILIZED FACILITIES.

BOTH THE CONGRESS AND OUR OWN STATE LEGISLATURES ENCOURAGED US TO SERVE THE NEEDS OF THIS POST-WAR WAVE OF STUDENTS. ALL OF US, PUBLIC AND PRIVATE INSTITUTIONS ALIKE, BUILT UP OUR CAMPUSES AND STAFFED THEM AS IF THE BABY BOOM WOULD NEVER END. FROM 1951 TO 1973 COLLEGES BORROWED $3.8 BILLION FROM THE FEDERAL GOVERNMENT (UNDER TITLE IV OF THE HOUSING ACT OF 1950) FOR DORMITORIES, DINING HALLS AND STUDENT UNIONS. HUNDREDS OF MILLIONS MORE WERE

BORROWED FROM THE STATE AND FEDERAL GOVERNMENT TO BUILD ACADEMIC FACILITIES.

THE DEBT WE INCURRED TO FULFILL A PUBLIC FUNCTION IS NOW COMING BACK TO HAUNT US. WE ARE OVERBUILT AND WILL BE UNDER-ENROLLED. OUR DORMITORY AND DINING HALL DEBT WILL REMAIN CONSTANT, WHILE THE NUMBER OF STUDENTS LIVING AND EATING ON CAMPUS WILL START TO DECLINE. UNLIKE STATE INSTITUTIONS, WHERE INTEREST AND PRINCIPAL ON BONDED INDEBTEDNESS OFTEN DOES NOT APPEAR IN OPERATING BUDGETS, THE INDEPENDENT INSTITUTIONS MUST PASS ON TO STUDENTS NOT ONLY THE FULL COSTS OF AMORTIZATION BUT ALSO THE INFLATIONARY COSTS OF MAINTAINING OUR NEW BUILDINGS AND/OR KEEPING UP AND TRYING TO RENOVATE OUR OLD BUILDINGS.

WITH A DECLINING STUDENT POPULATION, INDEPENDENT COLLEGES ARE DOUBLY SQUEEZED. OUR FIXED COSTS DO NOT DECLINE AS QUICKLY AS ENROLLMENTS DECLINE. THEREFORE, PRICES MUST BE PUSHED HIGHER FOR THE STUDENTS WHO REMAIN.

MANY SMALL INDEPENDENT COLLEGES CONTINUE TO SURVIVE ONLY BY DIPPING INTO ENDOWMENTS, PAYING SIGNIFICANTLY LOWER SALARIES THAN THE PUBLIC SECTOR, OR BY DEPENDING HEAVILY ON A LIVING ENDOWMENT - THE CONTRIBUTED SERVICES OF A RELIGIOUS ORDER. MANY SMALL COLLEGES HAVE NOT SURVIVED. IN THE PAST EIGHT YEARS, 91 SMALL INDEPENDENT COLLEGES HAVE CLOSED THEIR DOORS, 47 OTHERS HAVE MERGED WITH OTHER COLLEGES AND UNIVERSITIES, POPULAR NEWS MAGAZINES LIKE TIME PREDICT THE DEMISE OF SOME 300 MORE.

NOW THAT THE PROBLEM HAS BEEN STATED WHAT RESPONSE CAN THE CONGRESS GIVE?

SOME WAY MUST BE FOUND TO LIFT THE DEAD WEIGHT OF DORMITORY AND FACILITY DEBT. IF WE BUILT UP OUR CAMPUSES IN THE 50'S AND 60'S TO SERVE THE PUBLIC INTEREST, IT WOULD BE A

SUPREME IRONY THAT WE WENT BANKRUPT TRYING TO AMORTIZE THE DEBTS WHICH WE UNDERTOOK WITH FEDERAL AND STATE ENCOURAGEMENT.

IS THERE SOME WAY IN WHICH THAT DEBT COULD BE TURNED INTO AN ENDOWMENT? COULD THE INTEREST AND PRINCIPAL OWED TO THE FEDERAL GOVERNMENT BE PUT INTO AN ESCROW ACCOUNT AND TRANSFORMED INTO AN ENDOWMENT?

MAY I SUGGEST THAT A NEW SECTION BE ADDED TO TITLE VII OF THE HIGHER EDUCATION ACT WHICH WOULD ALLOW DEVELOPING INSTITUTIONS (AS DEFINED BY TITLE III OF THE SAME ACT) TO ESTABLISH AN ENDOWMENT FUND BY PAYING INTO AN ESCROW ACCOUNT THE PRINCIPAL AND INTEREST DUE ON FEDERAL LOANS UNDER BOTH TITLE VII AND UNDER TITLE IV OF THE HOUSING ACT OF 1950.

I AM NOT ASKING FOR THE FORGIVENESS OF THESE LOANS. ONLY THAT FOR A SPECIFIED PERIOD OF TIME, TEN YEARS SAY, THAT PAYMENT OF INTEREST AND PRINCIPAL BE MADE INTO A SPECIAL ACCOUNT THAT WOULD STRENGTHEN THE FACILITIES OF DEVELOPING INSTITUTIONS, NOT THROUGH NEW CONSTRUCTION BUT BY ARRESTING THE DECAY OF EXISTING ACADEMIC AND RESIDENTIAL BUILDINGS - THROUGH REMODELING, RENOVATION AND MODERNIZATION. THUS, ALLOWING PRIVATE COLLEGES TO CONTINUE TO SERVE THEIR SPECIAL CONSTITUENCIES (BLACKS, WOMEN).

NO NEW APPROPRIATION WOULD BE REQUIRED TO ESTABLISH THESE ENDOWMENT ACCOUNTS. PAYMENTS OF THE FEDERAL LOANS WOULD STILL BE HONORED IN THEIR ENTIRETY.

EVEN THE POSTPONEMENT OF PAYMENTS, IF LIMITED TO DEVELOPING INSTITUTIONS, WOULD NOT CONSTITUTE ANY SIGNIFICANT LOSS TO THE FEDERAL GOVERNMENT'S CURRENT ACCOUNTS.

IN SUMMARY, I AM ASKING CONGRESS TO BRIDGE THE GAP THAT EXISTS BETWEEN THE CURRENT MODES OF FEDERAL AID TO PRIVATE COLLEGES AND THE ATTENTION THAT IS GIVEN TO THE SMALL, PRIVATE, RESIDENTIAL COLLEGE. SPECIFICALLY, I AM ASKING CONGRESS TO ADDRESS THE PROBLEM OF DEBT PAYMENTS IN OPERATING BUDGETS.

Senator **Pell**. Thank you very much.

Dr. Cannon?

Dr. **Cannon**. Thank you, Mr. Chairman, and thank you for inviting me.

I represent a six-college consortium, made up of all the 4-year institutions in North Dakota, two private and four public. Also, I have been asked to represent the Council for Inter-Institutional Leadership, a higher education association of some 150 cooperative arrangements representing many institutions. [156]

Specifically, I have come to represent small rural colleges which have banded together in a cooperative arrangement called a consortium. Similar rural college arrangements are found in our regional area, in Montana, South Dakota, Nebraska, Kansas——

Senator **Pell**. I just want the witnesses to understand that their written testimony is going to appear in the record.

Dr. **Cannon**. I would like to reflect a little bit on some particular recommendations, many of which have already been covered.

I would like to reaffirm the legislative intent, the mandate of cooperation among and between developing institutions. That is one of the things I think that has really developed a network in the higher education community of small colleges in North Dakota.

Also, we would agree with the broadening of criteria for eligibility for the low income student.

In North Dakota, as an example, the success application ratio is fairly low for the BEOG application. With the farm income and the particular high parent assets you have to indicate in the application form, our success rate is not as high as many other States.

We think all campus-based financial aid programs should be considered in that eligibility factor; expand the E and G expenditures to include all academic expenditures; include the student support expenditures per FTE, and many of the institutional characteristics that more accurately reflect the institution's current state of development—management, fiscal capability, and the rest of it.

We do have some suggestions related to the grant process itself. In terms of granting the title III grants, we feel that it should be more of an objective grant selection process, and we think ratings should be made public.

Also, in the application, we would make the suggestion to provide for a schedule to achieve some form of developed status within one of the programs that may be funded; provide some kind of target date for completion of a given project.

We also feel we would like to see the elimination of the requirement that you have to have an assisting agency or institution; that is, make it permissive.

We also would like to see regular staff site reviews of our projects on campus from the title III office or the Congress.

Also, we would plead for as much consideration for rural development grants as urban development grants.

Thank you.

[The prepared statement of Dr. Cannon follows:]

TESTIMONY OF
DONALD T. CANNON
NORTHERN PLAINS CONSORTIUM FOR EDUCATION
JAMESTOWN COLLEGE
JAMESTOWN, NORTH DAKOTA 58401

PRESENTED TO

U.S. SENATE SUB COMMITTEE
EDUCATION - ARTS - HUMANITIES
SENATOR CLAIBORNE PELL - CHAIRMAN

OCTOBER 5, 1979

ROOM 4232

DIRKSEN BUILDING

As a presenter, I represent a six college consortium made up of all the four year institutions in North Dakota (2 private and 4 public). Also I represent the Council for Interinstitutional Leadership, a higher education association of 150 cooperative arrangements representing 1560 colleges and universities in the nation.

Specifically , I have come to represent small rural colleges which have banded together in a cooperative arrangement called a consortium. Similar rural college arrangements are found in our regional area in Montana, South Dakota, Nebraska, Kansas and Iowa.

Even more specifically and important, I have come to tell you about the benefits received from Title III and what recommendations I would make for the future.

BENEFITS

I. Title III has provided a forum to bring all the four year institutions together to discuss common concerns and decide on ways and means of cooperating together and sharing our existing resources to better benefit all six institutions. Examples of this effort are the work of the presidents council, academic deans council, humanities council, science council, career education council, research council, and librarian's council. This cooperation has developed and strengthened over a fourteen year period in a rural and remotely located state.

Some specific accomplishments

A. Humanities Council:	- Summer chatauqua conferences to culturally enrich small rural communities in North Dakota (8 in Summer 1979 funded by the communities and NEH) - Writing Project to improve college student writing standards (Summer 1979) NEH funded - Student funded foreign study-travel visits. (London, April 1979)
B. Science Council	- Computer Learning Project to train faculties at six colleges over a three year period. NSF funded proposal planned through meetings assisted by Title III. - Faculty Exchange lectures between and among consortium colleges.

C. Career Education Council:	- Meetings and training sessions to better provide career counseling and address imbalance of liberal arts careers - Implementation of career education courses and counseling techniques - Study skill courses implemented - Student learning materials provided.
D. Institutional Research Council:	- Studies on student retention, attrition, and placement. - Needs assessment surveys for consortium and colleges.
E. Central Office:	- Organize and control consortium development
II. FACULTY DEVELOPMENT	- Funded the development of approximately 80 PH.D. degrees. (Ninety percent remain with colleges.) Also 45 M.A. degrees. - Summer fellowships for professional development and retraining (56 summer fellowships. - Professional meetings and consortium meetings on academic improvement.
III. STUDENT SERVICES	_ Career Counselors at each of six colleges partly funded by Title III - Study Skills instruction at each of six colleges partly funded by Title III. - Taking advantage of these services during the past two years were 256 Native Americans; 33 of whom received the B.A. degree and 13 the A.A. degree.
IV. INSTITUTIONAL RESEARCH	- Part time research assistance to gather and analyze institutional data at each of six institutions. - Study management information systems for implementation to achieve cost benefits, knowledge of institution data, and long range planning.

RECOMMENDATIONS AND NEEDS

Contextually, we are small, rural, and remotely located colleges with needs we hold to be as important as urban college needs. Our clientele, (Many of whom are first generation college students)need a supplemental assist to move through the rural college and later develop their career in the rural area. Needs are the following:

1. Reaffirm legislative intent to mandate cooperation among and between developing institutions.
2. Broaden criteria for eligibility to include:
   a. Redefinition of the low income student
   b. All campus based financial aid programs
   c. Expand E and G expenditures to include all academic expenditures
   d. Student support expenditures per FTE
   e. Institutional characteristics that accurately reflect the institution's current state of development.
3. Operate an objective grant selection process and disseminate results.
4. In applications provide for a schedule to achieve developed status. Such schedule to document those programs and budgets necessary to achieve developed status terminating Title III support.
5. Eliminate the requirement for an assisting agency or institution.
6. Provide for regular on site staff reviews of Title III projects. Findings should be included in any subsequent grant evaluation procedures.
7. Give as much consideration to rural development grants as urban developments grants.

SUMMARY OF RECENT AND ONGOING PROJECTS
THE NEW HAMPSHIRE COLLEGE AND UNIVERSITY COUNCIL
2321 Elm Street, Manchester, N.H. 03301

October 3, 1979

STUDENT FINANCIAL AID

Guaranteed Access to Student Loans

In June, 1978, the College Council conducted research into the problems contributing to under-utilization of the Guaranteed Student Loan Program in New Hampshire. Results indicated that the majority of problems stemmed from the unwillingness of banks to fully participate in the program. After reviewing the benefits of the program and the potential return on investment for lenders, it was determined that increased participation by banks could be gained by making them aware of various financial strategies that can be utilized to provide an excellent return on guaranteed student loan portfolios (in some cases, up to 30%).

Over the past twelve months, the College Council, the New Hampshire Higher Education Assistance Foundation, and Sallie Mae have coordinated their efforts to inform lenders of the many benefits of participation in the Guaranteed Student Loan Program. The most significant result of our efforts to date has been the Guaranteed Access Program (GAP). This program insures that any New Hampshire resident who needs a guaranteed student loan can get one. It further insures that any out-of-state student attending a New Hampshire college or university will be able to obtain a guaranteed student loan. In both cases, a borrower must be turned down for a guaranteed student loan by a local bank before he or she may utilize the GAP program.

The increased use of the Guaranteed Student Loan Program in New Hampshire has been impressive. New lender volume has increased from two and one-half million in 1978 to twelve million in 1979, and is estimated to exceed twenty million dollars in 1980.

Basic Educational Opportunity Grant Program

Three years ago, the New Hampshire College and University Council determined, through analysis of the BEOG applicant data tapes, that although the income distribution of families in New Hampshire was similar to those in adjoining states, fewer New Hampshire students were taking advantage of BEOG funds. In an effort to increase the BEOG application rate in New Hampshire, the College Council has undertaken the following activities:

1. Two direct mailings of financial aid information and BEOG applications are made to families of approximately 7,000 college-bound New Hampshire high school seniors annually.
2. The New Hampshire Guidance Counselors Almanac was published by the Council, and every New Hampshire guidance counselor received a copy.
3. A series of BEOG workshops were held to increase high school guidance counselors' understanding of the BEOG program.
4. The New Hampshire Postsecondary Education Commission required the submission of a BEOG application as a condition for application to the New Hampshire Incentive Grant Program.

In November of 1978, an assessment of the program was made. An increase in the application rate of approximately 7.8% was noted together with a tendency for students to file for basic grants earlier in the year. This represents an increase of over $400,000 in basic grant funds accruing to New Hampshire students.

State Student Incentive Grant Program

In 1976, the consortium colleges initiated the New Hampshire Incentive Grant Program. The consortium staff continues to participate in the program through membership on the Advisory Council. In 1976-77, the program awarded $269,370 in grants. In 1978-79, the program awarded $441,482 in grants.

Educational Financial Aid Handbook for Adults

The College Council recognizes the growing need by adults for continuing education. Research has indicated that financing continuing education is a significant consideration for the adult learner, yet there is no single source of financial aid information specifically designed for adults. The College Council is currently writing the Adult Financial Aid Handbook. When complete, the book will be distributed to all New Hampshire libraries, selected human service organizations and counselors, and selected business, industry, and service organizations.

INFORMATION DISSEMINATION

New Hampshire Learning Line

In 1978, the College Council established the "New Hampshire Learning Line" as an educational information service for the citizens of the state. The "Learning Line" is a toll-free number operating 24 hours a day to provide information on postsecondary institutions, programs, and financial aid. Funding for the line is provided by the federal government's Educational Opportunity Center Program. During the first three and one-half months of operation, 522 callers used the line. A follow-up on a representative sample of those callers revealed that 40% had enrolled in postsecondary education. 19% of these students had enrolled in a course, and 21% had enrolled in degree programs.

New Hampshire Postsecondary Education Degree Program Data Base

In order to provide immediate up-to-date information concerning the degree programs available at New Hampshire postsecondary educational organizations, the College Council maintains a data base of approximately 850 program offerings. Reports are printed out periodically which list each degree program title, college, location, and period of day the program is offered. Additional reports indicate the programs that were added or deleted during a given year. This information is used by the New Hampshire Learning Line, high school guidance counselors, certain New Hampshire business organizations, and other interested groups and individuals. The New Hampshire Postsecondary Education Commission utilizes the report as a means of assessing the need for new programs in a given geographic location.

Statewide Postsecondary Management Information System

Each year the College Council prepares a compendium of New Hampshire educational statistics. This major study contains detailed information concerning educational offerings, financial aid, financial statistics, institutional characteristics, enrollment, faculty, degrees conferred, and other information that describes the condition of higher education in New Hampshire.

PLANNING

Continuing Education Resource Sharing

New Hampshire College and University Council has recently received funding from the Kellogg Foundation to undertake a major project designed to build a Statewide Continuing Education Network. The goals of the program are to: (1) improve accessibility to continuing education, (2) increase educational opportunities, (3) insure a broader geographic distribution of educational services, and (4) develop an affordable pricing structure. Upon completion, the Continuing Education Network will represent the first statewide cooperative delivery system that involves the mutual cooperation and resource sharing of both the public and private educational sectors.

Statewide Continuing Education Needs Assessment of New Hampshire Business, Industry, and Service Organizations

In the summer of 1979, approximately 85% of all the organizations located in New Hampshire (19,613) received a survey requesting information concerning their needs and preferences for further education or training for their employees. Needs were assessed and compared with available resources, organizational educational incentive programs were inventoried, and preferred academic and skill training areas were compiled. This study will serve as a foundation for the attempts of educational planners to meet the continuing education needs of New Hampshire employers, and will help forge cooperative linkages between education, industry, and government.

Health System Plan

In the fall of 1978, the University System of New Hampshire requested the assistance of the New Hampshire College and University

Council in providing staff to work with faculty and administrators to develop a systemwide plan for academic program development in the health services. Because of the broad scope of this planning project, it will serve not only as a basis for program implementation with the University System, but also as a focal point for a coordinated effort on the part of all postsecondary education in the state to meet the needs of the traditional student, the health professional, as well as needs of state and local agencies.

Educational Attitudinal Study of High School Students

It has been reliably determined that the college-going rate of New Hampshire high school students is less than that of the national average. In order to shed some light on this problem, an attitudinal study is being undertaken by the College Council to determine what key factors contribute to the decision of high school students and their parents as to whether or not the student will go on to postsecondary education. A survey of approximately 3,000 high school students will be conducted, with the results being distributed high school guidance counselors, college and university admissions personnel, the State Department of Education, and many other concerned organizations and individuals.

NORTHERN PLAINS CONSORTIUM FOR EDUCATION, INC.

Jamestown, North Dakota

NPC
Minot State College
Mayville State College
Jamestown College
Dickinson State College
Mary College
Valley City State College

Small Colleges

Working Together

Member Colleges

Dickinson State College

Jamestown College

Mary College

Mayville State College

Minot State College

Valley City State College

The Northern Plains Consortium represents all the public and private four-year colleges in North Dakota. Approximately 6,000 students or one-third of the state's undergraduates attend consortium colleges. By working together as a consortium, the colleges help each other coordinate and maintain quality educational programs and services. Many of these programs and services would be too costly for the individual college to develop alone.

Mission

Through an office at Jamestown College, the consortium helps faculty and administrative councils plan programs and search for the funds to develop them. These programs are designed to enhance the liberal education and career preparation missions of the member colleges.

History

In 1965 the colleges formed the consortium to help them deal with common needs and problems. Since then the colleges have received over $3 million in grants as a result of their cooperative efforts.

Programs

Funds from a variety of federal project grants have been used to do many things. Some major projects include:

- providing fellowships and release time to faculty for advanced study
- hiring career counselors and basic skills instructors
- bringing visiting scholars and artists to the campus
- helping science faculties use computers in their classrooms
- arranging work experiences for students

- developing new and innovative courses
- encouraging faculty exchanges
- organizing traveling art shows
- supporting research about students and the colleges themselves
- establishing links with other higher education institutions in North Dakota
- holding an annual Humanities Festival

Future Directions

These past programs are the stepping stones to future projects:

- developing courses and programs to prepare students for jobs in the energy industry and energy impact areas
- providing centers for lifelong learning
- strengthening the integration of career preparation and liberal education
- enhancing the role of the four-year college in North Dakota higher education
- developing a central placement service
- expanding consortium fund development

"Small Colleges Working Together"

Board of Directors

Dr. Albert A. Watrel - Dickinson State College
Mr. Joseph Anderson - - Jamestown College
Dr. Harold Miller - - - - - - - Mary College
Dr. James Schobel - Mayville State College
Dr. Gordon Olson - - - - Minot State College
Dr. Ted DeVries - - Valley City State College

Operations Council

Dr. Paul Larsen - - - Dickinson State College
Dr. M.W. Andresen - - - Jamestown College
Dr. Thomas Johnson - - - - - Mary College
Dr. G.C. Leno - - - Mayville State College
Dr. Joel Davy - - - - - - Minot State College
Dr. Sam Rankin - - Valley City State College

Faculty Councils

Career Education
Humanities
Indian Studies
Planning, Management and Evaluation
Science

Central Office Staff

Dr. Donald T. Cannon, Executive Director
William J. Lardy, Director, Computer Learning Project

Council
for
Interinstitutional
Leadership

Lewis D. Patterson
Executive Director

(205) 348-7770 P.O. Box 6293 University, AL 35486

Board of Directors
President
Dean E. Tollefson
Union of Independent
Colleges of Art

Vice President
Mary H. Ellis
New Orleans Consortium

Secretary and Treasurer
John McCune
Tri-College University

Anne Brown
Nashville University Center

Claudette Dwyer
Council of West Suburban
Colleges

Donald A. Johnson
Quad-Cities Graduate
Study Center

Arden K. Smith
Mount Senario College

October 1, 1979

Dr. Donald T. Cannon, Executive Director
Northern Plains Consortium for Education
Jamestown College
Jamestown, ND 58401

Dr. Henry Munroe, Executive Director
New Hampshire College and University Council
2321 Elm Street
Manchester, NH 03104

Dear Messrs. Cannon and Munroe,

As president of the national consortium council - the Council for Interinstitutional Leadership - it is my pleasure to note your testimony before the Senate Committee on Postsecondary Education. Your representation of the interests of college cooperation across the nation is important to us all.

The case you present is the case we have affirmed as an organization. I trust you will articulate it fully in your presentation of the case for substantial cooperation and the support needed for it.

On behalf of your colleagues in higher education who work to use their relationships between and among cooperating institutions, I thank you.

Sincerely,

Dean E. Tollefson
Executive Director

Enclosures

National Association
of Independent
Colleges and Universities

Suite 503
1717 Massachusetts Avenue, N. W.
Washington, D. C. 20036
202/387-7623

September 25, 1979

The Honorable William D. Ford
Chairman, Subcommittee on
Postsecondary Education
2368 Rayburn House Office Bldg.
Washington, D.C. 20515

Dear Chairman Ford:

Although the NAICU Board of Directors devoted most of its attention at the September 20-21 meetings to the resolution of issues in the field of student grants legislation, the Board did reserve some time to review other issues in the reauthorizing legislation, including various proposals for modification of the Strengthening Developing Institutions program authorized under HEA Title III.

Our primary concern, which we expressed jointly with the Council for the Advancement of Small Colleges (CASC), and the National Association for Equal Opportunity in Higher Education (NAFEO), in response to the USOE regulations issued last winter, has to do with the eligibility criteria for participation in the Strengthening Developing Institutions program.

Those regulations threatened to terminate the eligibility of several hundred NAICU member institutions to participate in the program, most of whom had received funding under the program for 1978-79, and largely as a result of coordinated CASC/NAFEO/NAICU efforts, Commissioner Boyer eventually agreed to "grandfather" those institutions into the program so they could continue to participate and receive funding for 1979-80.

Unfortunately, your subcommittee bill proposes essentially to write those same regulatory criteria into the new law, again raising the threat of several hundred NAICU member institutions being eliminated from eligibility to participate in the program. Accordingly, the NAICU Board voted unanimously on September 21 to "reaffirm its insistence on legislative and regulatory criteria for eligibility which reflect both student and institutional characteristics, with the student characteristics criteria revolving around 'recipients of need-based federal assistance' instead of just 'BEOG recipients'."

In effect, the NAICU Board endorsed the approach to this problem which was recommended by the Council for the Advancement of Small Colleges (CASC) in a letter to you dated September 12, 1979, a copy of which is attached to this letter for your information.

I am very hopeful that, before your bill emerges from the House Committee on Education and Labor, this problem may be resolved along the lines recommended by NAICU and CASC. The changes requested are relatively modest, and the central objective of placing eligibility for participation in the Strengthening Developing Institutions program on a well-defined legislative footing still would be realized. But you would avoid eliminating large numbers of participating institutions from the program, and maintain the broad base of diverse higher educational interests to sustain both the directions and the authorized appropriations for the program which are envisioned in your bill.

Beyond all of these considerations, resolution of the eligibility issue would permit NAICU and its 800 member institutions to support your efforts to incorporate the Administration's "challenge grant" proposal for expansion of the program into the new law. NAICU is favorably inclined toward that proposal, but the Board resolution requires us to "withhold judgment on any such proposal until the fundamental questions of eligibility criteria are resolved satisfactorily."

Your attention to these concerns is warmly appreciated, in the continuing spirit of cooperative efforts to fashion a reauthorizing bill which treats all students and all types of postsecondary institutions in a fair and equitable manner.

Sincere best wishes,

John D. Phillips

John D. Phillips
President

Attachment

cc: The Hon. John Buchanan
Elias Blake
Bill Clohan
Howard Holcomb
Sam Myers
Gary Quehl
George Rainsford
Myles White
Tom Wolanin

CASC The Council for the Advancement of Small Colleges
ONE DUPONT CIRCLE WASHINGTON, D. C. 20036 • (202) 659-3795

GARY H. QUEHL
President

DANIEL H. PILON
Vice President for Campus Services

LLOYD M. RICHARDSON
Vice President for Programs

September 12, 1979

The Honorable William D. Ford, Chairman
House Subcommittee on Postsecondary Education
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Ford:

We pay tribute to you and your staff on completing extensive, open hearings and on presenting a very comprehensive bill for mark-up this week.

We ask, with your permission, for additional eligibility criteria on Title III in order to consider both students as well as the strength of the institutions they attend in building a strong, balanced dual system of higher education. The additional criteria to be included with the two presently contained in Sec. 301 in the bill would be:

1. Academic expenditures per FTE as reported in HEGIS
2. Academic support expenditures per FTE as reported in HEGIS, and
3. Participation in all campus-based federal student aid programs, as well as BEOG's, for determining "low income" students in Sec. 301(b)(2).

This proposed expansion of eligibility criteria coincides with our strenuous efforts last fall to resist successfully proposed regulations for the Title III program which we felt defined too narrowly the opportunity to strengthen institutions in all sectors.

We are asking other associations related to that effort last fall either to support these additional criteria or not to take exception to them in the interest of opportunities for broad participation by all colleges.

Thank you for your consideration of this request.

Sincerely,

Gary H. Quehl
Gary H. Quehl
President

GHQ:bg

Senator PELL. Thank you very much.

Dr. Monroe?

Dr. MONROE. Thank you, Mr. Chairman.

I am sorry that Dr. Butler left. As a Yankee, I would like to remind him that Dartmouth College probably was the first institution that handled Indians, back in the 1700's.

May I speak just a tiny bit about what the program has done in New Hampshire. I think it has had as much impact, if not more, than the Land Grant Act. In New Hampshire, the small amounts we have gotten—$18,000 in 1 year, up to $300,000 in that munificent year—are used primarily and totally for cooperative programs. That means that everybody participates. Nobody takes the money and runs.

Our assisting institution—that is what it used to be called in the original legislation; I happened to be down here then, on Senator Styles Bridges' staff, to take 1 year, and then to understand government return home and cut wood—looked at that and decided it should be an assisting institution, not an agency. I do not know when that crept in. It seems to me that the assisting agencies are like the little women's aid society that meets in a room to raise money to meet in a room to raise money.

Nevertheless, in New Hampshire, the University of New Hampshire has been assisting for 15 years, never gets a cent. In fact, it contributes more to the consortium to match title III money than the rest of the institutions. It seems that is the way it should be going.

Basically, in our State, we say that you are going to have to do two or three things. You have got limited colleges, you have got limited resources. You had better start pooling them 'and you had better start telling the rest of the States, including Rhode Island, that New Hampshire is the best place to come to school, because if you come to a consortium, you can go to 12, 13 different colleges for the same price you can go to one, and that is a pretty good bargain any place you look at it.

We also think that it is not the real problem of who has a telescope on their campus, but how many kids can look through the darned thing. Therefore, we buy the telescope or we buy the computer as a cooperative and pass it around.

Don and I talked a little bit last night in the hotel room, in between telephone calls home—it is my 35th anniversary, and I am not very happy being here, and neither is the woman—we talked a little bit about what should be done, and one of the things that came to my attention was let's eliminate the assisting institutions. Let the colleges go where they will for assistance.

As a historian, I have looked at this over a period of time and it seems to me that at least Yankees can find the best bargain.

I think if Dr Butler will recall that early testimony, he said that a developing college should present a plan—I wish I could remember it clearly—and that plan should set forth those areas, at least, discretionary areas, where they felt there were weaknesses. Now, if that was true then, when there were plenty of students, and it was the euphoric period of plenty of money, it is even better now when there are very few students, we in New Hampshire are looking at a decline between 15 and 30 percent. It is going to start in the grammar schools, and it is going to work up through the colleges. If it was true then, it should be true now. We should be able to set forth a plan, whether it is 5 years, 6 years, or 7 years, and say at the end of this period we are going to get off the title III iron lung and we are going to be on our own.

It seems to me also that over a period of time, there should be a ratio whereby the amount that the college provides grows as the amount the Government gives decreases. Again, let me remind you that I am from New Hampshire, and in our penurious legislature, if there is a question of money, when in doubt, we always vote no.

It seems to me also that the quality of education emanating from title III can be documented, and Don and I think we have done so in some of the studies we have done.

Finally, I think that some colleges are going to have to die naturally and, I hope, with dignity. We closed two schools in the last year, a Catholic school that had a magnificant, as far as I am concerned, concept. Basically, it tried to give a liberal arts education to young ladies who came there; the classical design, it could not attract students.

At the far end of the spectrum, we closed a widely innovative, one of the alienated generation schools, Franconia College. Neither one of them could attract. Both of them came to the consortium and said, "Will you look at us, where we are going, what the future is?" We did not act as Penelopes, probably more as Cassandras. But nevertheless, after looking them over, we made the decision that neither could possibly continue. Using Consortia staff, a small portion being (Title III supported), we assisted them in placing their students, taking care of their debts, and going down the road without owing too many people. It seems to me that is the way all of us want to go out, and title III helps us.

Thank you.

Senator **PELL**. Thank you very much indeed. I was very stimulated by your testimony.

What this whole discussion is about, really, are the two differing definitions of a developing institution. The very word, "developing" may be incorrect in itself. Maybe as we said earlier, it ought to be "disadvantaged" or some other word.

But in any case, as you know, the House bill and the administration proposal bases it on student body factors, and the present law bases it on the basis of the institution itself and its efforts to increase the quality of its offering.

I am just wondering, under the new version that the House has, which is the administration proposal, would any of your four institutions that you represent specifically—not as a consortium, but that you represent specifically—would they be eligible for help? I do not think they would, but I do not know.

Dr. **MONROE**. As it stands now without the grandfathering clause, of the 12 institutions within the consortium itself, 9 would no longer be eligible.

Senator **PELL**. And I would like an answer from each one of you, if I could.

Dr. Breidenbach?

Reverend **BREIDENBACH**. Yes, as it stands now without the grandfather clause, we too would not be eligible very specifically on the numbers that we have. We know that we are close, but we would not be eligible.

Senator PELL. Dr. Cannon?

Dr. CANNON. In our group of six colleges in North Dakota, one would not be eligible, and one is right on the margin. Originally, when they had it as a single index, two would not have been eligible.

Senator PELL. But four still would be eligible of your six?

Dr. CANNON. Yes.

Senator PELL. Thank you.

And Sister Coultas?

Sister COULTAS. We would be right on the borderline, very close to eligibility, but probably outside the parameters.

Senator PELL. I was also very struck by Dr. Monroe's statement, because we know that with the curve of the population that there will be a decline in the institutions, and the question is where the bite is going to come and how is it done without misery, but with dignity.

And I think that this is a very real problem. You also have the philosophic question of how people look on a college education. Is it primarily a key to a better job and an increased income, or is it primarily a key to an enhancement of life and the powers of enjoyment. If it was that approach, then I wish everybody could go to college. If it is the latter approach, then I think you find many disappointed people, particularly if they have inadequate college degrees, facing the competition of the marketplace. The extreme example is Germany in the thirties. We have to be careful that we do not have too many frustrated college graduates. How we work this balance out is a very tough job, indeed.

Do you think there should be a time limit as to how long a college or an institution should remain in the so-called developing status? Do any of you have a view in this regard?

Sister COULTAS. Yes. I have that introduced into my testimony. I believe that institutions should, provided they are evaluated yearly, that they should be funded for 2 years at minimum.

But I also think that somewhere between 7 and 10 years, they should move out of that classification, and that perhaps they could even do it sooner, and that the moneys allotted to those colleges should be probably reduced as they begin to move toward the movement outward, so that the Congress insures that the institutions themselves are taking over those services that are being provided.

Senator PELL. You would have a 10-year top limit, then?

Sister COULTAS. Yes.

Senator PELL. I think basically, our thinking is not too dissimilar. However, how do you handle the problem, in your view, of the small black colleges who really have a tremendous disadvantage in their previous history, whose faculty and student body are being skimmed up by yours and other institutions because of affirmative action, and yet, they play a very real role in trying to mainstream the youngsters who go there. Do any of you have an idea of how those problems could be handled?

Reverend BREIDENBACH. I would like to tie that in to what I was speaking about. The main problem at Ladycliff College, for example, is the dormitory that we built in 1965; we are paying off on that dormitory. At the same time, we are trying to attract minority groups from the New York City area to come to our resident college. We feel that this is an opportunity to take a person out of a deprived area and put that person into an environment that is somewhat different, and hopefully, an improved environment over the area where they may be living.

We do not in any way want to take away what is being done for the minority groups. We feel that we are contributing to the services that we are offering them, and in a very special way, we are attracting them into the mainstream of education, so that they are not forced to stay in an environment that perhaps is becoming separate for them.

If I may make a personal reference, there is a high school in New York City, Cathedral High School, which is 90 percent Hispanic and black, and I offered that school 10 scholarships for $40,000 to invite those students to Ladycliff College. The principal of the high school thought it was a marvelous idea, thanked me very much, but he said where would they get the rest of the money to pay their room and board at Ladycliff. That is the problem that we are having. Now, what I would like to see is some relief from the debt that we have for our dormitories, and then with that money, we could improve the college and so forth, and we would not have to raise the tuition to cover those costs that are built into our operational expenses.

Senator **Pell**. Incidentally, thank you for your letter concerning the half-cost issue. I somewhat belatedly just signed a reply to you yesterday.

Reverend **Breidenbach**. Thank you very much.

Senator **Pell**. Sister Coultas?

Sister **Coultas**. I just think that that speaks to the whole matter of diversity in higher education in this Nation, and I really believe that the black colleges have a very essential role to play.

But I think that as we look at dropping enrollment and as we look at the capability of young black people to move with great agility into some of the best institutions in this country as a result of new access, I think that the entire educational system is probably going to shrink. And therefore, I guess across the board, I would say that legislation should be written in such a way that you will not be feeding money into an institution that is not going to make it.

That is why I have paid so much attention to evaluation. Now, I think some of our institutions in the State of Pennsylvania are going to go under, and I think some black colleges will probably go under in that process.

But I think also that what will happen is that the "cream will hopefully rise to the top," and that institutions that are really open to applying on a basis that they will be open to evaluation, site visits, accountability, audit accountability, all of that, that that then protects the taxpayer money that is going into the funding of this particular legislation. But I do believe that those colleges play a very essential role because I do not believe that all black students are ready to take on the University of Michigan or the University of Pittsburgh, and I think they may need that environment, particularly in their baccalaureate days, just like some of the young people coming to my college need the environment which allows them to be president of the student senate. If they were at the University of Pittsburgh, they would not have that opportunity, to head the newspaper staff, to develop as leaders within a small college community.

So I really believe that the diversity has to be maintained, and that the legislation should be built in such a way that it is maintained, because I think it is basically a wholesome system.

Senator **Pell**. Dr. Cannon?

Dr. **Cannon**. I concur with Sister in a great measure. In North Dakota, we have four Indian reservations, and on each of these reservations, they do have a community college which is funded through title III. And our particular network of six 4-year institutions has at times tried to develop relationships with those reservations. As such, we admit that they should indeed develop their own strengths in their own colleges. They are very close to the reservation, and the student feels very reluctant to move away from home very far.

I think, though, in our schools, we are skimming off some of these students in the 4-year institutions. We have about 250 Native Americans in our six 4-year colleges, and 33 of them received the B.A. degree in the last 2 years.

Senator **Pell**. Just for the record, unless any of you know the answer offhand, would you submit the percentage of blacks and Hispanics in your State and the percentage enrolled in your institutions? If any of you know it, I wish you would tell me now.

Sister **Coultas**. I know the percentage of blacks enrolled in my institution right now is 7 percent. When I took over as president 4 years ago, it was a very sad 0.04 percent, and we have worked very hard on that ratio.

Senator **Pell**. And what is the percentage in the State?

Sister **Coultas**. I can find that out for you, Senator, and would be glad to provide it.

Senator **Pell**. All right.

Dr. Monroe?

Dr. **Monroe**. New Hampshire, about 3 percent, I would say, 1 percent. However, if you are going to look at the other minority, the Franco-American, it is pretty close to 30 percent, 32, in the Franco-American minority. The minority, as you know, is about 44 percent.

Senator **Pell**. I would not say the Franco-Americans consider themselves a minority, though, particularly in New Hampshire. They are a majority there.

Dr. **Monroe**. Yes. We have not been able to get Congress to discern that yet.

Senator **Pell**. But you are right. I have noticed that also in my own State, that Franco-Americans, very often as a rule, do not seem to want to take advantage of the higher educational opportunities that are open to them, as do other groups. I think that is starting to break down, but it is certainly visible in my part of the country, too.

Dr. **Monroe**. Yes.

Senator **Pell**. Yes, Father Breidenbach?

Reverend **Breidenbach**. I was just going to say for myself, I do not know the percentage in New York State, but I know that at Ladycliff, we are about 17 to 20 percent Hispanic and black.

Senator **Pell**. Thank you very much indeed.

Dr. **Monroe**. Mr. Chairman, could I leave two things, both of them dealing with the bureaucracy itself. One is the computer that cannot subtract. I think we queried you—we had a problem in one of our public schools. We had a very zealous financial aid officer, who had overcommitted $159,000 in student aid; he did not have it. The president came in and spoke to the consortium presidents, including the nine private presidents, and asked for some help. They all agreed to reduce their financial aid by $159,000. When they queried Washington, something went wrong. That has just never happened. Nobody has asked to take from one pot and put it in another. The answer was that the computer could not subtract. Fortunately, some bureaucrat did open up a jar and found $159,000, which he sent on.

In line with that, under title III, we have been informed in the face of declining enrollments—and my supposition is that most of the developing institutions are tuition driven—that title III money cannot be used to develop the recruiting capabilities nor the financial aid capabilities of the institutions.

Now, that, sir, seems to me like I am sending my son out to chop wood, but he has a dull ax.

Thank you very much.

Senator **Pell**. Thank you very much indeed.

Dr. Cannon?

Dr. **Cannon**. We would like to enclose a study for the record.

Senator **Pell**. But this looks so fat, we can put it in for reference, but not include it in the record.

Dr. **Cannon**. All right. Thank you.

Senator **Pell**. But any further statements or anything you like, of reasonable length, will be put in the record.

Thank you very much indeed for being with us.

Senator **Pell**. Our next panel is the panel on TRIO programs; Mr. Lester Barclay, an Oberlin College student; Oscar Hernandez, talent search director at San Antonio, Tex.; Larry Dais, Upward Bound talent search director, Columbia University, New York; Peter Fellenz, of the Worcester Consortium, in Worcester, Mass.; and Arnold Mitchem, Convenor of the National Coordinating Council of Educational Opportunity Associations, Milwaukee, Wis.

Mr. Mitchem?

STATEMENT OF ARNOLD MITCHEM, CONVENOR, NATIONAL COORDINATING COUNCIL OF EDUCATIONAL OPPORTUNITY ASSOCIATIONS, MILWAUKEE, WIS.; LESTER BARCLAY, OBERLIN COLLEGE STUDENT, OBERLIN, OHIO; OSCAR HERNANDEZ, TALENT SEARCH DIRECTOR, PROJECT STAY, SAN ANTONIO, TEX.; LARRY DAIS, UPWARD BOUND TALENT SEARCH DIRECTOR, COLUMBIA UNIVERSITY, N.Y.; AND PETER FELLENZ, WORCESTER CONSORTIUM, WORCESTER, N.Y., A PANEL

Mr. **Mitchem**. I will serve as the moderator, Mr. Pell.

Senator **Pell**. Fine. Thank you.

Mr. MITCHEM. Each of us, with the exception of Mr. Barclay, will highlight the written statements which we have submitted to your staff, sir.

I am Arnold Mitchem, director of the educational opportunity program at Marquette University and convenor of the National Coordinating Council of Educational Opportunity Associations.

Mr. Chairman, I think it is important to point out that this morning's hearing is the first opportunity that either the practitioners or the students involved in the TRIO programs have ever had to present our views and recommendations regarding TRIO programs to a Senate authorizing subcommittee.

I want you to know that we deeply appreciate the opportunity, the privilege, and your interest in what we have to say this morning.

TRIO, sir, is a misleading term. It refers to five programs rather than three. Of the five, the oldest program authorized under the Higher Education Act is Talent Search, which was first authorized in 1965, as a means to identify disadvantaged youth, to encourage them to enter college, and to assist them in applying for Federal student assistance. Working mainly out of community-based agencies, and providing information, referral services, and counseling, Talent Search established the principle that oftentimes the lack of motivation to pursue college and the lack of information about available student assistance are as great a barrier to postsecondary access for disadvantaged students as is the lack of financial resources.

In 1968, the Congress created Special Services for Disadvantaged Students, a program which aimed at improving retention and the quality of education for disadvantaged students enrolled in America's colleges and universities. It is a mainstream program.

This program is campus-based and provides remedial tutorial counseling and academic advisement services. Also in 1968, the Congress transferred the authority for Upward Bound from the Economic Opportunity Act to the Higher Education Act.

Upward Bound is a campus-based program that is designed to generate motivation and develop academic competencies for disadvantaged high school youth. The principal purpose of this program, akin to a prep school, is to prepare disadvantaged youth for success in college.

Thus, by 1969, there existed three programs, authorized, we feel appropriately, under title IV of the Higher Education Act, to assist disadvantaged students in overcoming the noneconomic barriers to access and completion of higher education.

In 1972, the Senate initiated a fourth program, Educational Opportunity Centers, with functions similar to Talent Search. And in 1976, Senator Kennedy successfully proposed the creation of a staff development program for persons working within the TRIO programs.

The legislative history of these five programs spans 14 years. The recommendations which my colleagues and I will bring to you this morning reflect an attempt on the part of the National Coordinating Council of the Educational Opportunity Associations to rationalize, refine, and improve upon the current legislation.

Moreover, our recommendations were carefully developed by persons who have a detailed understanding of the programs in a process that took 9 months and required meetings in four cities—Denver, Cleveland, Portland, Oregon, and Arlington, Va. Our views represent a national consensus and the wisdom of over a decade of experience with these programs in both selective and nonselective institutions of higher education and agencies that serve both rural and urban populations across the country.

In closing, I would like to call your attention to several key recommendations.

First, the introduction of a new concept in determining eligibility for TRIO services—first generation college student. This is defined in our proposed legislation as a person neither of whose parents has completed a baccalaureate degree. We feel this is simpler, more exact, and less demeaning to the client population than language in the current law. It also has the effect of providing a more uniform eligibility standard for all the TRIO programs.

Let me add that we feel this is a positive construct. It is a concept which has been embraced by American Indians, blacks, Mexican Americans, Puerto Ricans, and whites, because the interests of all of these groups is reinforced by this concept.

Second, we have attempted to clarify the roles or focus of talent search projects and educational opportunity centers. We are urging that talent search continue its historic mission of serving youth, and that educational opportunity centers focus on the Nation's growing concern for adults.

Third, we are proposing an authorization level of $400 million. In fiscal 1979, the demand for TRIO services exceeded the current authorization level.

Fourth, we are proposing that each student who is enrolled in a Special Services project receive sufficient financial assistance to meet that student's full financial need.

And last, as we look at the House and administration's bills, we strongly prefer the House bill to the administration's bill. The House bill, in our opinion, reflects a more detailed understanding of the TRIO programs than does the administration's.

Thank you very much, Mr. Pell.

Mr. Dais, then Mr. Hernandez, Mr. Fellenz, and last, we will have a personal statement from Mr. Barclay, who has been both a Special Services and Upward Bound student.

Thank you, sir.

Senator PELL. Thank you very much.

Mr. Dais.

Mr. DAIS. Mr. Chairman, my name is Larry Dais. I am the director of the Upward Bound and Talent Search program for Columbia University and the city of New York. I am also an officer of the university with a Presidential appointment; chairman of the education committee of the New York Urban League, and a member of the board of directors of the Association for Equality and Excellence in Education, a professional association representing persons working in educational opportunity programs in New York, New Jersey, Puerto Rico, and the Virgin Islands.

Prior to embarking on a more objective view of the needs of the Nation's Upward Bound population, I want to share with you, if I may, a statement by Dr. William McGill, president of Columbia University, on September 14, 1979, with regards to Upward Bound and Talent Search programs:

> Columbia's Project Double Discovery, the Upward Bound and Talent Search Programs, born in a period of social turmoil, have struggled and succeeded. This mature and effective program of help for the education disadvantaged has established an impressive record. I am proud that Columbia has been able to support and encourage such worthwhile service to the community.

End of his statement.

As you know, Upward Bound as currently authorized is a program for disadvantaged high school youth which is designed to assist them in developing the skills and motivation necessary for success in college. Upward Bound students attend a summer program, most often a residential program on a college campus. There, they receive academic classes in the basic skills of reading, writing, and mathematics. They also receive personal and academic counseling and take part in a variety of cultural, career and motivational activities.

Additionally, these students receive counseling, tutoring, college placement assistance, and additional instruction in basic skills during the academic year.

More objectively now, the target area for the Upward Bound program at Columbia is the Borough of Manhattan, with particular attention to Harlem. Ninety-nine percent of Harlem's high school students are minorities; 64 percent of them are achieving at academic levels a year or more below grade level, according to New York City norms.

When compared against national norms, their achievement scores will be even lower.

According to reports from the Drug Abuse Agency in New York City, there are nearly 2,000 identifiable pushers selling drugs on Harlem streets. I might add that this market is not a hidden one, but one that is as open as the sale of oranges and apples on the streets. Drugs and guns are the way of life in Harlem. The economic status of Harlem citizens, and more generally, residents of every poor neighborhood in the country is, by no choice of their own, closely tied not only to the state of the economy, but also to the state of government budgets, locally and nationally.

Harlem residents depend upon public schools for the education of their children. They depend upon public health clinics for the health care of their families, and they depend upon public labor money for their jobs. They depend upon social service programs to pay for their basic expenses, food and shelter.

In contrast to this pervasive atmosphere of dependency, Upward Bound offers the challenge of independence and the support to achieve upward mobility.

Our Upward Bound students are products of the Harlem community. During the summer, the students are given the opportunity to attend activities that enhance and promote their personal effectiveness and to provide opportunities for the application of their learning experiences to life experiences.

Overall, the program is designed to develop skills, to motivate students toward utilizing their potential.

The primary goal is to aid students in their high school studies and to prepare them for success in college, not just placement.

The program continues in the fall with afternoon and Saturday morning academic classes. Tutoring is provided for high school subjects and college and personal counseling are available. These students also have the opportunity to audit regular courses within the undergraduate divisions of the university. Our Upward Bound program has served a total of 1,353 students. Sixty-one percent of these students have graduated from high school. Eighty-five percent of these students have gone on to college. Our placement record for 1975 was 78 percent; 1976, 74 percent; 1977, 83 percent; 1978, 98 percent, and 1979, 96 percent.

The recommended increase for these programs is particularly well advised in light of the programs to demonstrate effectiveness in raising the aspirations of low-income students and for facilitating their enrollment and success in college. According to a study commissioned by the U.S. Office of Education and completed by Research Triangle Institute, 71 percent of Upward Bound graduates enter college, as compared with 47 percent of their low-income peers.

Our concerns as directors for the 1980's is to promote effective and quality education for the population of youth we serve.

In closing, I would like to add a statement by Arnold Collery, dean of Columbia College:

> There is no private college in America that has a better historical record than Columbia's of opening its doors to talented young people, regardless of such extraneous considerations as race and ability to pay. In admitting students to Columbia, the most important criteria has always been intellectual promise. There are many young people in our society who can profit from the type of demanding education offered by institutions such as Columbia College, but who, nonetheless, may never obtain it, either because they are unaware of their talents or not ready to receive it.
>
> Project Double Discovery, the Upward Bound and Talent Search Programs, is dedicated to finding some of them and preparing them for college. In performing this high mission, PDD, serves the best ideals of Columbia.
>
> As Dean of Columbia College, I am proud that Project Double Discovery is a part of the college and of statement of Dean Collery.

Mr. Chairman, I thank you.

[The prepared statment of Mr. Dais follows:]

STATEMENT OF LARRY DAIS, DIRECTOR, PROJECT DOUBLE DISCOVERY, COLUMBIA UNIVERSITY

Mr. Chairman and Members of the Subcommittee--

My name is Larry Dais. I am the Director of the Upward Bound and Talent Search Programs of Columbia University in the City of New York. I am also an officer of the University with a Presidential appointment, Chairman of the Education Committee of the New York Urban League, and a member of the Board of Directors of the Association for Equality and Excellence in Education, Inc. --a professional association representing persons working in educational opportunity programs in New York, New Jersey, Puerto Rico and the Virgin Islands.

Prior to embarking on a more objective overview of the needs of the nation's Upward Bound population, I want to share with you, if I may, a statement made by Dr. William McGill, President of Columbia University on September 14, 1979 with regards to Upward Bound and Talent Search Programs:

> Columbia's Project Double Discovery (The Upward Bound and Talent Search Programs), born in a period of social turmoil, has struggled and succeeded magnificently. Its mature and effective program of help for the educationally disadvantaged has established an impressive record. I am proud that Columbia has been able to support and encourage such worthwhile service to the community.

As you know, Upward Bound as currently authorized, is a program for disadvantaged high school youths designed to assist them in developing the skills and motivation necessary for success in college. Upward Bound students attend a summer session, most often a residential session, on a college campus. There they receive supplementary instruction, particularly in the basic skills of reading, writing and mathematics. They also receive personal and academic counseling and take part in a variety of cultural, career, and other motivational activities. Additionally these students receive counseling, tutoring, college placement assistance, and additional instruction in basic skills during the academic year.

More objectively now: the target area for the Upward Bound Program of Columbia is the borough of Manhattan, with particular attention to Harlem. There are approximately 370,000 residents in Harlem, ninety-nine percent of Harlem's high school students are minorities. and 64% of them are achieving at academic levels a year or more below grade level according to New York City norms. When compared against national norms, their achievement scores would be even lower.

According to reports from the Drug abuse agency in New York City, there are nearly two thousand identified pushers selling drugs on Harlem's streets. I might add that this market is not a hidden one, but as open as the sale of oranges and apples on the streets. Drugs and guns are a way of life in Harlem. In fact, in the New York Post's July 6th, 1979 edition the Pastor of the Upper Park Avenue Baptist Church, Rev. Dempsey, stated: "more than 40% of the youngsters have guns; kids ten years old are carrying guns!

The economic status of Harlem residents, and more generally of residents of every poor neighborhood in the country is, by no choice of their own, closely tied not only to the state of the economy, but also to the state of government budgets, local and national. Harlem's residents depend on public schools for the education of their children they depend on public health clinics for the health care of their families; they depend on public labor money for their jobs; and they depend on social service programs to pay for their basic essentials, food and shelter.

In contrast to the pervasive atmosphere of dependency, Upward Bound offers the challenge of independence and the support to achieve upward mobility.

In 1978, The City's Board of Education reported in its annual student ethnic census that minority students, constitute 71.3% of the total enrollment from the school system and account for 83 % of the suspensions.

Black students, who comprise 38.5% of the system-wide enrollment, comprise 55.3% of all students suspended. While non-minority students who make up 28.8% of the student population, account for only 17.4% of the suspensions. (Hispanic students comprise 29.5% of the total enrollment)

Not only is it difficult to keep students in schools, but once they are there, their level of achievement is extremely low. Louis D. Brandeis High School recently stated that 88% of its students failed the New York State Basic Comprehensive Test. Over 75% of the students are reading two years or more below grade level, and only 50% of these students are expected to function on grade level by the time they reach their 12th year. Test results released by the Board of Education in 1978 showed that nearly six out of ten students in the New York City's public elementary and junior high schools continue to read below the national standard for their grade. The results showed that 43% of the students in grades two through nine were reading at or above their grade level. A typical district would have 50% of its students reading above, and 50% reading below grade level. These scores take on special significance in light of the fact that the percentage of students seriously deficient in their reading increases with every grade. Whereas 18.9% of second-graders are more than a year behind (they are for all practical purposes non-readers), this figure increase to 36.3% by the ninth grade.

2.

SUMMER RESIDENTIAL COMPONENT CONCEPT

To create an environment that engenders feelings of a close-knit community, a spirit of camaraderie and provides a strongly supportive staff who are receptive, sympathetic and positive models for the students.

This type of residential program allows students, for a time, to share the same academic environment, while also creating an atmosphere wherein those living together will gain numerous positive benefits:

- To develop and sustain an administrative component that oversees and insures the functional operation, supervision and implementation of the residential program.
- To create an environment whereby students can view and evaluate themselves as individuals on a 24-hour basis with their own peer group serving as the device for measurement.
- To allow students to compete in various areas with one another but always to come home and share the same living quarters to reinforce feelings of unity.
- To further expand acquired knowledge and to acquire new information in schools of thought totally diverse from that which they are normally accustomed to.
- To have the staff serve as a positive role model for the academic and personal development of students.
- To keep lines of communication open between administrative staff and counseling staff.
- To provide constant security for dormitories and the best possible housing for all students and staff.
- To provide recreational and social activities to facilitate personal and experiential growth.
- To provide proper supervision of students.
- To allow students a maturation period away from the daily structure of an environment with parental guidance, to foster independence via decision-making with other U.B. students.

SUMMER ACADEMIC CONCEPT

The curriculum for the Summer Porgram is developed by the Upward Bound Staff in consultation with curriculum developers, licensed teachers, and graduate students with advisement by Upward Bound students and parents. The Summer Residential & Academic Program consists of six primary components:

1. Required classes in English, Algebra, Geometry, Trigonometry, and Science (Bio. & Chem.), taught by licensed teachers and graduate students, will be assigned to the students on the basis of student need. Such classes are attended Monday through Friday mornings. Tests are given to measure student progress. Class size ranges from 10 to 15 students.

2. Based on student preference with consideration of student need, enrichment courses in various subjects (Calculus, Physics, Spanish, Economics, Computer Science Programming, Psychology, Sex Education) are taught by licensed teachers and graduate students. Such classes are held Monday through Friday mornings. Tests are given to measure student progress. Class size ranges from 10 to 15 students.

3. Study-sets in various areas (for required and enrichment classes), supervised by graudate students and undergraduate students as Teacher's Aides (or tutor-counselors) will be assigned to all students. Such sets are attended Monday through Thursday afternoons. The Study-Sets provide the students with opportunities to get clarification and guidance in understanding and completing assignments for morning classes.

4. Tutoring of individual students is conducted by tutor-counselors every Sunday through Thursday evening.

5. Seminars in various subjects, e.g. Afro-American History, Puerto Rican History, Afro-American Literature, conducted by tutor-counselors, will be selected by students. Seminars sessions provide the students with opportunities to explore areas generally untouched during their high school years.

6. The Reading Program, conducted by licensed teachers and graduate students, will be assigned to students on the basis of student need. The program is comprehensive in form, and consequently makes use of various resources in the surrounding area. Instructors are hired from Teacher's College, Columbia University, and high schools. Students will be given the reading section of the Comprehensive Test of Basic Skills to identify those with severe reading difficulties. Reading classes are attended Monday through Friday mornings. Class size range from 10 to 15 students.

The program has had a total of 1,353 regular Upward Bound participants. Approximately 61% have graduated from high school. Eighty-Five percent of these graduates have entered college.

Eleven of our students were accepted to the School of Engineering and Applied Science at Columbia University and Columbia College for 1979. We have had an average of 85.5% of our students placed in colleges over the past five years.

Specifically:

1975	78 %
1976	74 %
1977	83 %
1978	98 %
1979	96 %

The recommended funding increase for these programs is particularly well advised in light of the program's demonstrated effectivenss in raising the aspirations of low-income students to venture successfully into the nation's colleges. According to a study commissioned by the U.S. Office of Education and completed by Research Triangle Institute, 71% of the Upward Bound graduates entered college as compared with 47% of their low-income peers.

Our concerns as Directors of the TRIO programs for the 1980's is to promote effective and quality education for the target population of youth we serve.

Academic Year Component

Overview

The Upward Bound Program conducts an Academic Year Component from September 6, to June 30, as an integral part of its operation. After the selection of participating students has been completed, three basic activities follow.

They are:

1. Activities which provide academic instruction and counseling

   Saturday classes designed to provide participating students with assistance in basic skills, e.g. Reading, Writing, Mathematics, Language Arts; and intensive tutoring sessions in those academic subjects in which these students are engaged in the target high schools.

   In the area of academic counseling the program provides group and individual sessions that will furnish the students with guidance, instruction, and objectives in the successful completion of high school and admissions into post-secondary educational institutions.

   Activities which provide guidance, counseling, and orientation in career and post-secondary educational opportunities

   Individualized and group counseling and guidance between participating students and project staff designed to systematically acquaint the students with both the financial and educational opportunities available to them.

   Activities which encourage personal, social, intellectual, and cultural development

   Provides participating students with a variety of exposures to various educational institutions, museums, theatres and the like.

In closing I would like to share with you a statement by Arnold Collery Dean of Columbia College:

> There is no private college in America that has a better historical record than Columbia's of opening its doors to talented young people, regardless of such extraneous considerations as race and ability to pay. In admitting students to Columbia, the most important criteria has always been intellectual promise.
>
> There are many young people in our society who can profit from the type of demanding education offered by institutions such as Columbia College, but who, nonethless, may never obtain it, either because they are unaware of their talents or are not ready to receive it. Project Double Discovery is dedicated to finding some of them and preparing them for college. In performing its high mission, PDD serves the best ideals of Columbia.
>
> As Dean of Columbia College, I am proud that Project Double Discovery is a part of the College.
>
> Arnold Collery
>
> Dean of Columbia College

Mr. Chairman and members of the subcommittee, I want to thank you and express my deep appreciation for the opportunity to testify before the subcommittee this morning.

Senator PELL. Thank you very much.

As you know, gentlemen, your full statements will be inserted in the record. It is the highlight points that make an impact on me.

Mr. Hernandez?

Mr. Hernandez. Mr. Chairman, allow me first to express my appreciation for being afforded the opportunity to appear before this Subcommittee regarding the reauthorization of these special programs for students of disadvantaged backgrounds.

My name is Oscar Hernandez, and I am the executive director of a community-based talent search program in San Antonio, Tex, called Project STAY, scholarships to able youth.

I have been associated with the program for 11 years and will be starting my twelfth year this coming December.

Project STAY has been in existence since July of 1968, and its offices, located in the heart of the once-designated model cities area in the barrio of San Antonio's west side, have become a local institution.

Geographically, we operate in ten target schools, in four independent school districts, within Barrett County, Tex. covering an area approximately 129 square miles. The total populations of these four school districts that are served is approximately 475,000, of which 114,000 are in school. Ninety-five percent of the population is made up of either Mexican American or black American students, and some 40 percent of the families earn less than $7,000 annually.

It is also an area where a majority of the parents have only a grade school education, with only a few having graduated from high school.

By maintaining an unconventional 12-hour work day and operating in the same neighborhood over an 11-year span, the program has remained accessible and has been readily accepted by the community, both students and parents.

The program's activities have evolved to a point where currently, staff maintain work areas or offices within the ten target schools served by the project. The central office, which is open to the public from 8:30 in the morning until 9:00 at night, concurrently serves students, parents, and other individuals who are unable to avail themselves of program services during the day or in the local schools.

The impact of program activity on the students, community and secondary and post-secondary institutions, as well as the staff, has been cumulatively extensive. The degree of success in encouraging and motivating low income students to pursue a post-secondary education can be measured by the increased number of students that are serviced by the program each year.

Every year, the number of students that are serviced by Project STAY increases significantly. One reason why there is a substantial increase in students every year is that students are becoming more familiar with talent tearch and its services. In addition, programs such as the basic educational opportunity grant have allowed more and more students from low income and students with average grades to think college, reversing the trend of a few years ago, that only the top 10 percent, or the elite few, could attend college.

This heightening interest in college attendance has simultaneously resulted in an expanding diversity of institutions to which our talent search students are applying. As a result of program involvement, a record number of local students are consequently applying and enrolling at not only local institutions, but such notable institutions of higher learning as Harvard, Yale, Princeton, University of Pennsylvania, University of Wisconsin, Notre Dame, Stanford, and other well-known centers of learning.

As a person who has devoted a good part of his life to the goals and objectives of talent tearch, it was refreshing to see that in the proposed legislation recommended by the National Coordinating Council, wording was added or changed in the present legislation to insure (1) that programs that are funded be accessible to parents and students alike; (2) that the maintaining of talent search is a youth-oriented program and leaving EOC as a program focusing on adults; (3) that Talent Search programs should be targeted on persons who aspire to be first generation college students and who meet a revised low-income criteria; next that the Talent Search should be allowed to provide tutoring for its clients; and finally, given the current unserved eligible population and the expanded mission of TRIO, the council's recommendation of a $400 million authorization.

Mr. Chairman, I find all of these recommendations that the National Coordinating Council has made concerning talent search consistent with the philosophy and spirit intended in the original legislation in 1965 and ask for your positive consideration of these recommendations as recommended by the council and that are spelled out in H.R. 5192.

Thank you.

Senator PELL. Thank you.

Mr. FELLENZ. Senator Pell, I would like to say, "Hello," to a fellow New Englander, although I have only been in Massachusetts for 5 or 6 years, and I understand you have been in Rhode Island considerably longer; I like it here in New England.

I am very enthused about directing a statewide Educational Opportunity Center program in Massachusetts. I have worked with other Federal programs, Dropout Prevention, Career Education, and Early Childhood. This is the one I like the best. I would like about 4 minutes to demonstrate that to you.

Senator, if you will look at the green EOC brochure, which I believe is attached, it will display the five counseling centers across Massachusetts which are provided with our $417.000 EOC grant. EOC is one of the TRIO programs. We serve Springfield, Worcester, Lynn, Boston, and the New Bedford Fall River area. We help about 6,000 clients a year, almost half of whom start college. Over 5 years, we have helped about 23,000 clients, 10,000 of whom have successfully enrolled.

[The information referred to follows:]

Mr. **Fellenz**. We run into a few problems doing so. First of all, our clients are most frequently young adults; 70 percent are women. Many are returning to school for the first time since high school, now that their children are a bit older. When these clients decide to go back to school, they want to start immediately, and they come to our centers for a variety of reasons.

First of all, two-thirds of our 6,000 clients still see financial barriers as the biggest obstacle to a postsecondary education career. They simply are not caught up with the national phenomenon; they have not seen billions of grant dollars spent. They often have the feeling that they still need A's on a high school transcript to get aid. When they come to EOC offices with rather vague financial aid ideas, they still need considerable service. This is especially true of adults, who have been away from high school counseling for 8 to 10 years.

So we do work; we are often well-liked, especially by other human service programs in the model cities areas. There really is almost no place else to send adult learners who want to go back to school and have not yet decided on a specific college of enrollment.

I would like to point out two problems that occur again and again; problems unique to adult learners. First of all, most adult learners are part-time learners, and there is a considerable question of financial aid equity for the part-time adult learner. For instance, with the Massachusetts State Scholarship, one must be a full-time student. Part-time students "Need Not Apply." Also, a considerable number of financial aid officers, and other people who handle financial aid, have not yet routinized their way of dealing with "independent student status" applications. As a result many are not nearly as prompt in providing answers regarding financial aid and actual grant awards to part-time adult learners. EOC clients request that we stay in business, year after year, as a troubleshooter on these complex matters. We do help about 4,000 to 5,000 people secure Basic Educational Opportunity Grants each year.

Second, we have many concerns over what happens to a great number of our clients who enroll in this wonderful phenomenon called continuing education. Yes, it does, in many cases, guarantee access to a college campus for a part-time learner. However, in a great number of cases, it does not result in access to good payoff career programs available to full-time day students; nor in many cases, does continuing education include comprehensive support services. Much of the college is, simply, "not there" when our adults show up for evening or Saturday classes.

If you now take a second look at the green brochure, there is a lot of Massachusetts and New England that is not served. To this date, we are the only EOC project in Massachusetts. I work with people in New England, I work with people from other States to encourage their applications. I believe there are a couple EOC applications from Rhode Island now being considered for funding. I would feel more comfortable seeing other EOC grants in the New England area, partly because postsecondary education issues involve all of New England as a college or postsecondary base.

In conclusion, I would like to say these areas not served include massive areas like Lowell/Lawrence/Haverill, Brockton/Taunton, Pittsfield/North Adams, and many of the rural sections of the State.

Senator, we have dealt with about $9 million in Basic Educational Opportunity Grant awards in the last 5 years. Eighty-five percent of our clients who used those grants have finished their first year, and half have finished 2 years of a post secondary education. We believe the greatest threat to the Basic Grant is not abuse but attrition. And we believe that our thoughtful counseling sessions, especially for adult learners, help them to better match their goals with the college offerings and to wend their way through the yet underdeveloped continuing education division and through the inequities of financial aid. And EOC clients are staying in school.

One personal comment in terms of your question of should college prepare people for jobs, or should it impart a more liberal form of knowledge. I personally believe we can do both, and that we should demand of college administrators that they provide the leadership in creating colleges that do both. I have made no choice between the two, and do not expect to until the day I die. We try to help clients do both, to find thoughtful and demanding courses of study, to find courses that lead to good employment.

Thank you very much.

Senator Pell. Thank you.

Mr. Barclay?

Mr. Barclay. Mr. Chairman, I would like to thank you for the opportunity to appear before you this morning.

My name is Lester Barclay, and I am director of the TRIO desk, an intern position with the U.S. Student Association. I am a junior at Oberlin College, majoring in government and economics.

I am here this morning to provide for you a personal view of the effectiveness of the TRIO program.

Born and raised in Chicago, I am the youngest from a family of 11 children. My father is a retired sewing machine repairman; my mother, a housewife.

Throughout my years as a Chicago student, I attended schools which, in my opinion, were not representative of quality education.

In my sophomore year, I got involved in the Upward Bound program at Roosevelt University. Coming from a high school where only one-third of the 1,500 students who enrolled with me graduated, I needed motivation.

With intensive instruction in math, English, and history, my overall classroom performance was well improved. Also, the program provided me with knowledge of college admissions and financial aid programs.

When enrolling in Oberlin College in 1977, I found the special services program easily accessible to my needs. The tutorial programs were greatly responsible for my retention during a very difficult freshman year.

The special services program at Oberlin has also aided in the survival of many educationally and economically disadvantaged students. Tutorial assistance as well as personal counseling have contributed to my success at Oberlin.

After completing the requirements for my undergraduate degree, I plan to go to law school.

TRIO is an essential complement to the student financial aid program. Though severely underfunded, TRIO has proven itself a successful, cost-effective mechanism for breaking down academic, cultural, and psychological barriers faced by economically and educationally disadvantaged students.

Through the provisions of tutoring, counseling, remedial courses, information dissemination and advising services, TRIO has produced tangible and significant increases in high school retention and graduation rates.

Senator Pell, the TRIO programs are unique, in that they are the only federally funded programs that deal with students' academic performance. USSA shares the concerns that you expressed earlier this week about the quality of education and students' ability.

We agree that it is a cruel hoax to provide sufficient financial resources for low-income persons, minorities, handicapped individuals, and others, so that they may attend college, but then to not provide adequate support so that they are insured not only graduation but a meaningful academic experience.

To use a well-worn phrase, TRIO prevents the open door from being a revolving door for disadvantaged students.

In terms of specific recommendations, the U.S. Student Association strongly recommends the provisions of the House bill 5192. These provisions are also endorsed by the National Coordinating Council of Educational Opportunity Associations and the Hispanic Higher Education Coalition.

The two TRIO programs in which I have participated have made me more aware of a hidden potential which I am uncertain would have otherwise surfaced.

From talking with other TRIO students, I find that they are also grateful for the opportunities which the programs have given them to develop their potential.

The U.S. Student Association supports the first generation concept for the eligibility of participants in the TRIO program. USSA also supports an increased authorization level of $400 million.

As a TRIO student, it is my duty to testify and stress the importance and effectiveness of these programs, so as to make such quality programs available to students throughout the Nation.

Mr. Chairman, I urge you to give serious consideration to the provisions of the House bill. These changes build on the current structure and strengthen the program without creating many disruptive changes.

On the following pages in my written statement, you will find highlighted several key issues that we at the USSA see facing TRIO.

Thank you.

[The prepared statement of Mr. Barclay follows:]

STATEMENT OF LESTER BARCLAY, TRIO DESK DIRECTOR, UNITED STATES STUDENT ASSOCIATION

Mr. Chairman, and members of the subcommittee, I would like to thank you for the opportunity to appear before you this morning.

My name is Lester Barclay, and I am Director of the TRIO Desk, an intern position with the United States Student Association (USSA). I am a junior at Oberlin College, majoring in economics and political science.

I am here this morning to provide for you a personal view of the effectiveness of the TRIO programs.

Born and raised in Chicago, I am the youngest from a family of eleven children. My father is a retired sewing machine repairman, and my mother a housewife.

Throughout my years as a student in Chicago, I attended schools which, in my opinion, were not representaive of quality education. In my sophomore year of high school, I got involved in the Upward Bound program at Roosevelt University. Coming from a high school where only one third of the 1500 students enrolled in my class graduated, I needed motivation. With intensive instruction in math, English, and history, my overall classroom performance was well improved. Also the program provided me with knowledge of college admissions and financial aid programs.

When enrolling in Oberlin College in the fall of 1977, I found the Special Services program easily acessible and responsive to my needs. The tutorial programs were greatly responsible for my retention during a very difficult freshman year. The Special Services program at Oberlin has aided in the survival of many educationally and economically disadvantaged students. Tutorial assistance, as well as personal counseling have contributed to my success at Oberlin. After completing the requirements for my undergraduate degree, I plan to go to law school.

The two TRIO programs in which I have participated, have made me more aware of a hidden potential which I am uncertain would have otherwise surfaced. From talking with other TRIO students, I find they are also grateful for the opportunity which the programs have given them to develop their academic potenti

The U.S. Student Association supports the first generation concept for the eligibility of participants in the TRIO programs. USSA also supports an increased authorization level of $400 million for TRIO.

As a TRIO student, it is my duty to testify, and stress the importance and effectiveness of these programs, so as to make such quality programs available to disadvantaged students

OVERVIEW OF TRIO PROGRAMS

Mr. Chairman, the TRIO programs actually are a series of six authorities that were created at different times starting in 1965. Programs currently authorized are Upward Bound (UB), Talent Search (TS), Special Services for Disadvantaged Students (SSDS), Educational Opportunity Centers (EOC), Service Learning Centers (SLC) - though this program has never been funded - and a staff training component.

TRIO is an essential complement to the student financial aid programs. Though severely underfunded, TRIO has proven itself a successful, cost-effective mechanism for breaking down academic, cultural, and psychological barriers faced by economically and educationally disadvantaged students. Through the provision of tutoring, counseling, remedial courses, information dissemination, and advising services, TRIO has produced tangible and significant increases in high school retention and graduation rates, college entrance, retention and graduation rates, and college performance among students with inadequate educational backgrounds.

Senator Pell, the TRIO programs are unique in that they are the only Federally- funded program that deals with students' academic performance. USSA shares the concerns that you expressed earlier this week about the quality of education and students ability. We agree that it is a cruel hoax to provide sufficient financial resources for low-income persons, minorities, handicapped individuals, and others so that they may attend college, but then to not provide adequate support services to ensure they not only graduate, but have a meaningful academic experience. To use a well-worn phrase, TRIO prevents the open door from becoming a revolving door for disadvantaged college students.

USSA has always been troubled by the fact that billions of dollars are spent on student aid yearly, but that only in the last two years has more than $100 million been appropriated for the support services that TRIO provides. Obviously, financial aid is of the utmost importance to low-income, and increasingly to middle-income students, but many of these people will drop out of college, or not even apply without the counseling and tutoring of TRIO.

TRIO essentially works to protect the Government's student aid investment by increasing retention and graduation rates.

It saddens me though, that even at the current maximum authorization of $200 million, only about 10% of eligible individuals would be served. Clearly, our commitment to TRIO must be vastly expanded.

In terms of specific recommendations, USSA strongly supports the provisions of the House bill, HR 5192. These provisions are also endorsed by the National Coordinating Council of Educational Opportunity Associations (NCCEOA), and the Hispanic Higher Education Coaliton (HHEC).

In summary, the House bill does the following:

- Simplifies and clarifies the eligibility criteria for the program. Current law contains a mish-mash of overall criteria for TRIO in general and more specific criteria for each program. However, some of the terms are vague and unclear. The House bill establishes two major eligibility criteria: 150 percent of poverty and first-generation college student. For each program certain percentages of participants would have to meet both or one of these criteria. In addition, up to one-third of SSDS students could be physically handicapped. USSA believes these criteria are relevant to the program, easy to measure, and consistent across programs.
- Removes overlap among programs. Current law is confusing regarding differences among some of the programs. The House bill divides programs into those that are campus-based (Special Services and Upward Bound) and those that are community-based (Talent Search and Educational Opportunity Centers). It further makes a distinction among the population to be served, with UB focusing on high school youth and SSDS on college students, while EOC is concentrated on adults and TS on youth. Finally, each program has a range of activities outlined in law to further clarify their purpose.
- Raises authorization level to $400 million.
- Eliminates the unfunded Service Learning Centers.
- Clarifies the relationship between Special Services and financial aid. The bill requires that institutions meet the full financial need of Special Services students.
- Provides authority for TS and EOC to provide tutoring when not available by other programs.

Mr. Chairman, I urge you to give serious consideration to the provisions of the House bill. These changes build on the current structure and strengthen the programs without creating many disruptive changes.

On the following pages I will highlight further USSA's position on some of the key issues that we see facing TRIO, and then provide various facts and figures on the operations of the TRIO programs.

The following is addtional information on the TRIO programs:

TRIO AUTHORIZATION

USSA urges this committee to support an increased authorization level of $400 million for TRIO, which is included in the House bill (H.R. 5192). Unfortunately, the Administration has not asked for any increase in the current $200 million authorization, instead asking for "such sums".

For this current academic year, total requests for TRIO funds were over $200 million, exceeding the current authorization level. TRIO is the only program designed to help students improve their academic performance. Its effectiveness is proven. We urge support for a $400 million authorization.

FIRST GENERATION CONCEPT

USSA strongly urges this committee to consider the first generation concept in the reauthorization language for the eligibility of participants in Special Programs for Students from Disadvantaged Backgrounds. The House bill, H.R. 5192 contains this provision. The process would simplify the eligibility determination of students in the programs. A first generation student should be defined as a person whose natural or adoptive parents did not complete the requirements for a four-year degree.

Once again, I hope you will consider amending the eligibility criteria to include the first generation concept.

CONSOLIDATION OF TALENT SEARCH AND EDUCATIONAL OPPORTUNITY CENTERS

We are opposed to the Administration's proposal to consolidate Talent Search and Educational Opportunity Centers. In the House bill (H.R. 5192), the role of each program is clearly defined. Talent Search has heavily concentrated on youth, while Educational Opportunity Centers, in the past, have catered to adul

While currently there may be some confusion regarding the distinction between the two programs, the House bill clarifies any problem. EOC participants must be at least 19 years of age, while Talent Search projects are supposed to concentrate on youth, starting at age 12. In fact, the bill explicitly states that in approving applications for EOC, the Commissioner must require an assurance that the particiapnts do not have access to services under a Talent Search Project. USSA believes the solution to any current overlap is not to consolida the programs as proposed by HEW, but to clarify the purpose of each.

STUDENT FINANCIAL AID

A general concern amongst students enrolled in Special Services for Disadvantaged Students programs is financial aid. USSA requests that you emphasize throughout the reauthorization process, the responsibility of schools receiving Federal funds for Special Services programs. These institutions especially, should provide adequate financial assistance to students in the program.

If a student for example, successfully completes the Upward Bound program, but is unable to receive adequate financial assistance in college, and as a result drops out of school, the purpose of the program is defeated. On the other hand, if the student is given sufficient financial aid, but denied academic support, and eventually drops out, the government monies are wasted. In order for the student to reach the goal set by the program, these factors must work together.

We ask you to consider these points during reauthorization.

TRIO AND YOUTH EMPLOYMENT PROGRAMS

Since our nation is facing serious problems with youth employment, USSA recommends that CETA funds work in full cooperation with educational opportunity programs, especially, Upward Bound. As you are aware, in most instances the quality of education in many inner city areas is poor. If it is not corrected, young people will not be adequately prepared for the job market. I propose that whenever appropriate, entitlement funds from CETA youth programs be used as supplements to educational opportunity programs.

Under such a plan, disadvantaged students would benefit from the academic skills offered through educational opportunity programs, as well as vocational skills offered through CETA, and at the same time be able to prepare for careers which require a college education.

USSA
United States
Student
Association

The Merger of the U.S. National Student Association and the National Student Lobby

THE NEED FOR FULL FUNDING OF SPECIAL PROGRAMS FOR THE DISADVANTAGED

PROGRAM: SPECIAL PROGRAMS FOR STUDENTS FROM DIADVANTAGED BACKGROUNDS (TRIO)

Public Law Number; 93-318, as amended by 94-482
Common Title: Education Amendment of 1976
Subsection Designation: Title IV (Student Assistance), Part C

Purpose of the program: To identify qualified students from low income families, or who have academic potential but may lack adequate secondary education; are physically handicapped; suffer from backgrounds of severe rural isolation or culture deprivation to prepare them for post-secondary education, and to provide special services for such students.

AUTHORIZED LEVEL: $200 million-AMOUNT NEEDED FOR FY 81: $200 million

AMOUNTS APPROPRIATED: FY 76-$70.3 million--FY 77-$85 million--FY 78-$115 million FY 79-$140 million--FY 80-$147.5 million.

The president's proposed $130 million for TRIO programs for FY 80 would have cut $10 million from the FY 79 appropriation of $140 million. This $10 million cut would have resulted in approximately 28,000 students being cut out from participating in programs such as Upward Bound (UB), Talent Search (TS), Special Services (SSDS), and the Educational Opportunity Centers (EOC). Fortunately, the amount agreed to by Congress for FY 80 is $147.5 million. USSA strongly urges the Administration to recommend full funding for TRIO.

Attached to this statement is detailed information about the TRIO programs, including descriptions of each program, summary statistics, evaluations, and funding history.

DESCRIPTION OF THE TRIO PROGRAMS

TRIO was authorized under Section 417, Higher Education Act of 1965 in Subpart 4, Special Programs for Students from Disadvantaged Backgrounds. (as amended by the 1976 Education Amendments.)

The legislation authorized services specifically designed to identify and assist youths from low-income families who have academic potential, but who may lack adequate secondary school preparation, who may be physically handicapped, or who may be disadvantaged because of severe rural isolation, to enter, continue, or resume programs of secondary and postsecondary education.

These programs came to be known as the TRIO programs including:

Talent Search (TS) 1965
Upward Bound (UB) 1965
Special Services for Disadvantaged Students (SSDS) 1965
Educational Opportunity Centers (EOC) 1972

Talent Search - off campus community based recruiting programs designed to:

- identify youths of financial or cultural need to complete secondary or undergraduate postsecondary education;
- publicize and provide students with information on existing student financial aid;
- encourage secondary or college dropouts of demonstrated aptitude to continue or resume postsecondary education;
- two-thirds of TS participants must meet low income criteria.

Upward Bound - on campus, postsecondary preparatory recruitment program designed for high school youths of grades 10 - 12:

- to generate skills and motivation necessary for success in education beyond high school;
- to provide youths from low income backgrounds and with inadequate secondary school preparation with a variety of academic and cultural activities on a full-time basis during the summers and academic years;
- to provide tutorial assistance in areas of English, Math and other areas of inadequate preparations.

Special Services - on campus compensatory and counseling services for postsecondary education students designed to:

- assist students from deprived educational, cultural or economic backgrounds, the physically handicapped and those with limited English speaking ability who are in need of such services;
- provide tutorial assistance in compensatory skills courses, reading, writing math, communications;
- provide counseling and supportive services for students in need of information, academic and personal support assistance;
- provide educational bilingual teaching, guidance and counseling.

Educational Opportunity Centers-on and off campus educational resources, information and recruitment centers serving areas with major concentration of low income families. designed to:

- assist residents who demonstrate need to pursue postsecondary deucation;
- provide information, counseling and assistance on admission and financial aid;
- provide couseling and tutoring for enrolled students from the area who need such assistance;
- provide counseling and recruitment information to staff of neighboring high schools, colleges and universities.

STATISTICS ON THE TRIO PROGRAMS

Talent Search Program

During academic year 1976-77, 130 projects were funded with the $6 million appropriation; of these projects 108 are continuing and 22 are new. The grants averaged $46,428. Based upon 105 reporting projects, the cost per client was $70. The 105 projects reported serving 110,982 clients with about 43 percent blacks, 20 percent white, and 37 percent of other ethnicity, such as Native Americans or Mexican-Americans. Approximately 53 percent of these clients were female. About 60 percent had family incomes of less than $6,000 and a small portion, roughly 14 percent, had family incomes of $9,000 or more.

In the 1976-77 academic year, 37,615 clients were placed in postsecondary education with an additional 29,810 accepted, but not enrolled. Approximately 13,317 actual or potential dropouts were persuaded to return to school or college. About 2,400 were enrolled in high school equivalency programs.

Upward Bound Program

In the Program Year 1976-77, 418 Upward Bound projects were funded (29 new projects and 389 continuing projects). The grants to projects averaged $91,137. Approximately 41,834 students were served by the program. Of the 418 projects, 368 were hosted by four-year colleges or universities, 40 by two-year colleges, and 10 by vocational-technical schools.

The target population of individuals who can benefit from the services of Upward Bound is characterized by persons bearing many of the same traits or characteristics as persons in the target population for Talent Search. Both programs attempt to expand the educational opportunities of persons having low incomes.

The latest available program data show that in 1977 nearly eight thousand (7,982) Upward Bound participants completed high school and that 67 percent of these were planning on entering some form of postsecondary education--mostly college (62 percent). Although the recent General Accounting Office study of Upward Bound reported a 10 percent overestimate of college entrance by the program, this study was based on a 15 project sample selected by GAO. These 15 projects were not selected by scientific sampling techniques and cannot be considered representative of the Upward Bound program.

Special Services Program

Program recors show that in FY 1976 (program year 1976-77), 93,452 students participated in the Special Services program. Of this number, about 77,788 received supportive services for the entire period; about 7,386 students showed adequate academic and personal adjustment and moved out of the program into the regular academic channels of the host institutions; about 5,700 graduated from the host institutions, and about 1,800 left the host institutions to transfer to other colleges, and presumably were making satisfactory progress, or transfer probably would not have been possible.

The evaluation of postsecondary programs for disadvantaged students has shown that the median age of the programs reported (Whether Federal or non-Fererally supported) was 2.6 years in 1972, and only three percent had existed ten years or more. Therefore, it was too early to evaluate program impact by numbers of students persevering to a bachelor's degree or continuing into graduate study.

Also, the study has revealed that being disadvantaged is much more than a financially determined phenomenon. There are greater differences among students of different ethnic classification within the low-income group than there are between poverty-level and modal (typical) students within the same ethnic classification. Differences between physically handicapped students and some modal students are relatively minor--except for the physical disability. Between the poverty-level and modal students, the study did not find substantial differences by major field of study, content of freshman courses taken, or relative difficulty with such courses. Most students in the study were in their first or second year, and differences in these areas may show up later in their college careers.

Educational Opportunity Centers Program

On June 30, 1977, the Educational Opportunity Centers Program completed its third year of operation. Final reports submitted to the OE central office indicated that the thirteen funded projects provided various forms of counseling and assistance to 50,065 participants. The average grant size was $242,000 and the average cost-per-participant was $63.

I. Total participants by ethnicity.

American Indian	948	2%
Black	17,515	35%
Spanish Descent		
Mexican American	4,540	9%
Puerto Rican	1,156	2%
Other	631	1%
White	19,459	39%
Other	1,674	3%
Not Reported	4,142	8%
TOTAL	50,065	100%

II. Total participants by sex.

Male	21,371	43%
Female	26,368	53%
Not Reported	2,326	4%
TOTAL	50,065	100%

III. Age of participants at time of entry into the program.

Under 18	9,546	19%
18 - 24	22,311	45%
25 or Over	14,230	28%
Not Reported	3,978	8%
TOTAL	50,065	100%

IV. Number of participants physically disabled.

991 (2% of total)

V. Number of participants who are veterans.

22,853 (6%of total)

An evaluation has not yet been conducted. Program data for the second year of the program show that 16,309 participants were placed in postsecondary schools or other types of training programs, and 5,280 participants had been accepted by a postsecondary institution but had not yet begun their studies.

FUNDING HISTORY

Appropriations History:

FEDERAL FUNDING FOR SPECIAL PROGRAMS
FOR THE DISADVANTAGED
FY 1975 - FY 1980

FY 1975	$ 70,331,000
FY 1976	70,331,000
FY 1977	85,000,000
FY 1978	115,000,000
FY 1979	140,000,000
FY 1980	147,500,000

Talent Search Program

Year	Appropriation
1966	$2,000,000
1967	2,500,000
1968	4,000,000
1969	4,000,000
1970	5,000,000
1971	5,000,000
1972	5,000,000
1973	6,000,000
1974	6,000,000
1975	6,000,000
1976	6,000,000
1977	8,900,000
1978	12,700,000
1979	15,300,000

Upward Bound Program

Year	Appropriation
1965	1/
1966	1/
1967	1/
1968	1/
1969	1/
1970	$29,000,000
1971	30,000,000
1972	31,000,000
1973	38,331,000
1974	38,331,000
1975	38,331,000
1976	38,331,000
1977	41,500,000
1978	49,800,000
1979	60,900,000

Special Services Program

Year	Appropriation
1970	$10,000,000
1971	15,000,000
1972	15,000,000
1973	23,000,000
1974	23,000,000
1975	23,000,000
1976	23,000,000
1977	30,637,000
1978	45,200,000
1979	55,300,000

Educational Opportunity Centers Program

Year	Appropriation
1974	$3,000,000
1975	3,000,000
1976	3,000,000
1977	4,000,000
1978	5,000,000
1979	6,000,000

1/ There was no specific authorizations or appropriations for Upward Bound during these years.

OBLIGATIONS FOR FEDERAL FUNDING FOR SPECIAL PROGRAMS FOR STUDENTS FROM DISADVANTAGED BACKGROUNDS, BY STATE 1978[11]

State	Obligations				
	Upward Bound	Talent Search	Educ. Opport. Centers	Special Services	Total
Alabama	$ 1,206,083	$ 198,576	$ 386,100	$ 1,191,803	$ 3,719,562
Alaska	295,185	226,249	176,052	42,572	740,058
Arizona	512,257	233,916	202,183	773,702	1,722,058
Arkansas	760,921	202,601	0	944,647	1,908,169
California	4,179,768	1,035,702	574,800	2,878,069	8,668,339
Colorado	597,975	174,764	293,400	581,917	1,648,056
Connecticut	545,203	136,851	0	291,141	973,195
Delaware	107,306	95,013	0	77,514	279,833
District of Columbia	580,892	1,156,469	306,495	549,048	2,592,905
Florida	1,179,655	220,173	0	1,251,316	2,651,144
Georgia	1,502,053	281,210	388,254	1,083,163	3,254,680
Hawaii	128,250	0	127,432	276,234	531,916
Idaho	213,053	73,318	0	50,595	336,996
Illinois	1,933,881	476,352	0	1,801,855	4,212,088
Indiana	703,333	347,946	0	904,703	1,955,982
Iowa	1,245,810	53,664	0	577,805	1,877,280
Kansas	509,292	119,394	0	354,866	983,552
Kentucky	1,494,800	245,750	181,150	1,029,398	2,951,098
Louisiana	1,215,367	398,813	0	1,312,283	2,926,468
Maine	542,444	86,852	0	600,178	1,229,474
Maryland	895,668	103,630	0	630,878	1,630,176
Massachusetts	1,799,760	134,154	380,000	905,359	3,219,273
Michigan	1,424,275	272,577	0	1,762,902	3,459,754
Minnesota	810,783	161,148	0	535,004	1,506,935
Mississippi	1,142,375	315,550	0	1,142,217	2,600,142
Missouri	529,091	142,624	520,124	1,033,455	2,225,294
Montana	210,596	71,874	0	289,445	571,915
Nebraska	170,268	74,393	0	181,402	426,063
Nevada	129,593	0	0	207,708	337,301
New Hampshire	269,586	66,250	0	121,290	457,126
New Jersey	1,977,566	379,148	0	882,174	3,238,888
New Mexico	552,764	224,311	200,448	674,724	1,652,247
New York	3,498,551	1,187,777	388,800	3,700,504	8,775,632
North Carolina	1,812,570	197,171	0	1,744,972	3,754,713
North Dakota	250,098	80,286	0	133,770	464,154
Ohio	2,053,298	110,886	203,000	1,363,698	3,730,882
Oklahoma	890,234	321,395	0	836,414	2,048,043
Oregon	502,037	107,953	0	297,259	907,249
Pennsylvania	2,043,323	296,426	300,000	529,039	3,168,788
Rhode Island	153,081	0	0	106,250	259,331
South Carolina	778,690	142,250	0	930,625	1,851,565
South Dakota	250,117	115,324	0	163,708	529,149
Tennessee	1,030,245	195,544	0	852,830	2,078,619
Texas	2,938,488	934,530	0	2,710,550	6,583,568
Utah	519,074	0	0	297,185	816,259
Vermont	137,048	78,875	0	298,588	514,511
Virginia	916,614	298,590	163,453	1,239,066	2,617,723
Washington	667,268	158,725	208,150	534,743	1,568,886
West Virginia	742,470	116,047	0	540,427	1,398,944
Wisconsin	667,944	93,799	102,906	1,271,977	2,136,626
Wyoming	121,591	56,826	0	71,873	250,290
American Samoa	0	0	0	90,341	90,341
Trust Territory	0	0	0	205,200	205,200
Guam	0	0	0	0	0
Puerto Rico	501,276	252,921	143,568	1,674,903	2,575,668
Virgin Islands	188,367	0	0	0	188,367
Totals	$50,031,237	$12,454,602	$5,246,316	$45,261,290	$112,993,445

---

[11] Data from Division of Student Services and Veterans Programs, Bureau of Higher and Continuing Education, Office of Education.

Sources of Data:

Annual Evaluation Report on Programs Administered by the U.S. Office of Education, Fiscal Years 1977 and 1978. U.S. Department of Health, Education and Welfare. Office of Education.

Federal Student Assistance and Categorical Programs, 1979 Edition. Prepared by the National Institute of Independent Colleges and Universities.

Prepared by Lester [illegible]. Barclay

For further information about the programs,

Contact: USSA
667-6000

Senator PELL. Thank you very much, Mr. Barclay.

To follow up one thought you had there, there is no concern in my mind about your future, because you have it pretty well mapped out, and I wish you well at the bar.

But let us say that a youngster has been helped by TRIO, emerges with his bachelor's degree, and then ends up with the same occupation your father had, as a sewing machine repairman. Would he be happier with that degree or without that degree? If he had the degree, would he feel that life had been cruel to him and he would be dissatisfied, or would he be able to recognize that that degree gave him an education that permitted him to enjoy the life and the books and the surroundings that he could also have? What would be your view on that?

Mr. BARCLAY. Well, Mr. Chairman, I would just like to say that from talking with most of the TRIO students who are in the program, they have reached the point where they are unwilling to settle for anything less than the goals that they have set for themselves. And for me, for example, to return to the same occupation as my father, I do believe that would be highly unlikely.

Senator PELL. I agree it would be very unlikely in your case, but my question was not that. My question was would your father have been happier with a college degree, following the same occupation, or would he have been dissatisfied and felt life had been cruel to him, using the expression you used?

Mr. BARCLAY. Well, I do not think he would have been very satisfied with having a college degree and having the occupation tion that he had.

Senator PELL. This is one of the problems that we face, that we are getting college graduates who have a hard time in the marketplace of achieving their aspirations.

Now, I do not know what the answer to this is. I do not think the answer is what Great Britain has, where only 3 percent of their college age people are at college. That is not right either. I would like to see all of our youngsters who are capable of absorbing education and who want it get it, and that is why I sponsored the basic grants, or Pell grants, whatever you want to call them. I think it is a good idea. But I think that then you have to separate job aspiration from the degree, because there will be many people who will not have supervisory or white collar jobs who will have college degrees.

I am reminded in this regard of receiving a degree once from Upsala College in New Jersey, where the annual alumni award went not to the big mucky muck in the insurance industry or business world, but was a man who was an electrician. He had used his education all through his life as an electrician, probably making more money than a high school teacher, using his mind and being very satisfied with his life, reading and engaging in theatre and things of that sort. But I am not sure that our education is pointed that way and that the youngsters have this as a goal. Do any of you have any comments on these thoughts?

Mr. DAIS. Yes, if I may.

Senator PELL. I would add I am a graduate of Columbia, too, so I want to welcome you.

Mr. DAIS. I am an alumnus of the graduate school of business, also.

Two points. I think the role of TRIO is very important in that respect. Counseling and advisement is the key, and that is, students that are not counseled properly in terms of their options may have some dissatisfaction in terms of receiving their undergraduate degree and not a comparable position in terms of their profession. I think the elements of TRIO focus in on counseling of Upward Bound students, Talent Search students, and Special Services students, to make sure they take a very realistic view of their opportunities and the requirements to achieve the goals they may have set for themselves.

I think the second part of education is enrichment, intellectual enrichment, and family development. And a person who is well-rounded in terms of a good education can develop his family. And within minority communities, one of the things we are lacking is a good, strong family base, and that comes over the years as parents become educated and they provide their children with an understanding of the value of education.

With the Upward Bound population, one of our most difficult tasks is to make an impact on the students of the importance of education, that reading, writing, mathematics and science are subjects for which students must develop a sense of value.

Senator PELL. Would there be any other comments?

Mr. MITCHEM. I would just like to underscore what Mr. Dais said. I think one of the strengths of the TRIO programs, particularly when you look at Upward Bound and Special Services, is that they provide a mechanism to give students the academic competencies which I assume you are indicating that individuals lack when they graduate from certain institutions which makes them noncompetitive in the marketplace. And I think those institutions that have these kinds of difficulties could benefit possibly by a Special Services program that focused on developing these competencies, which are critical, and I agree with you wholeheartedly.

Senator PELL. Mr. Hernandez?

Mr. HERNANDEZ. I would also have to echo Mr. Dais' comments and add to that the importance of the counseling and the type of counseling the student gets at the secondary school level; the type of training that he wants to go into.

And I might add that in Talent Search, in counseling our students, we not only talk about B.A. degrees, but if a student is able and is wanting a career, for example, in plumbing, and that is his desire and he is going to be happy with that, we also instill on him that in addition to his plumbing training, it would be wise for him to have a course or two in accounting or economics or management, so it will further him and make him a happier person as a plumber in his future years.

I have to, in many instances, indict my own professional counseling, the profession, that the lack of sensitive counseling to the student's needs rather than to his dreams is a fault. There is nothing wrong with being honest with the student when he comes to you and he has certain things that he wants to do in life, and because of the counselor's own biases, might want to convey those to the student. And that is wrong, and that is sinful, I think. I think we have to be honest with these students, counsel them down at the high school level. And I think if we speak with these students in this manner and with this candor, that those students in the long run will be happy and will live fruitful lives, whether they be academic or vocational or technical.

Senator PELL. Mr. Fellenz?

Mr. FELLENZ. Just two comments. One, the Pell grant has turned millions of people into educational consumers. But there is still another struggle, and that is to help them become learners. It does not happen automatically, especially for adult learners, disadvantaged learners, or those who are first generation college-goers. None of it happens automatically. It is a 12-hour a day job, and it requires being available year after year as a point of helpful contact.

I had another point, to be candid, but I forgot it, and I beg your pardon.

Senator PELL. I am glad it happens to people who are younger than I; I am delighted to hear it.

Do you believe that Talent Search and the Educational Opportunity Centers should be combined, as the administration proposes?

Mr. HERNANDEZ. No, sir. Talent Search, historically, has been a youth-oriented program. We are working with a student at the junior high level, high school level, and a certain expertise and a certain amount of time is spent in orienting oneself with the problems and the special needs of youth.

I would find it difficult to ask the same counselor to become an expert in youth needs, and the same time, next hour, be an expert and sensitive to the needs of the adult. I think for that reason that Talent Search should continue to be a community-based, youth-oriented program, as it has been.

Senator PELL. Is there any disagreement with Mr. Hernandez?

Mr. FELLENZ. I would just like to amplify that one second. I think that the populations and their needs are different. Also, the strategies, for working with adults, out of school 5 or 10 years, are quite different, specifically in terms of outreach techniques and working with other human service agencies in the community.

The strategies of building good, working relationships with high schools can sometimes be easy and can sometimes require all the dexterity of negotiating the Panama Canal Treaty. They are different strategies, and I think to have a two-handed program, Talent Search for youth and EOC's for the adult, has worked out well historically. We endorse it.

Senator **Pell**. Thank you very much.

Mr. **Mitchem**. Senator Pell, let me stress that in nine months of developing the National Coordinating Council recommendations from coast to coast, there is no disagreement with Mr. Hernandez' or Mr. Fellenz' position. The people feel very, very strongly that the programs should not be combined as the administration is proposing.

Senator **Pell**. Now, the House bill is pretty rigid in specifying the composition of participants in the programs. It says, I believe, that two-thirds of the participants must be lower income students, and the first generation of their family to attend college.

Do you think these requirements are a little too rigid and would inhibit the flexibility that the program should have?

Mr. **Mitchem**. No, sir, we do not. In fact, we feel that if you look at the current law, that it is really a hodge-podge and a mish-mash of language.

One of the things that it seems the House attempted to do was to try and establish some kind of uniformity in eligibility criteria which has never existed in the programs. Oftentimes, we have been criticized on the appropriations side because of the ambiguity regarding who is eligible for the TRIO programs. We feel that the House position certainly sets a more objective and standardized criteria than does the current law.

So, no. In answer to your question, we certainly support the House's eligibility criteria.

Senator **Pell**. Thank you very much indeed, gentlemen.

Now we come finally to the panel on cooperative education, Dr. Roy Woolridge,, vice president of Northeastern University—and the president of Northeastern University was with us yesterday, Dr. Ryder, and we were glad to hear from him, too. Also, Dr. Joanne Hinton, vice president of Villa Maria College in Buffalo, N.Y.; Dr. Don Starkey, president of the Cooperative Education Association, and director of Cooperative Education, Murray State College, Murray, Ky.; Dr. William Maxwell, the president of Jersey City State College, Jersey City, N.J.; and Sister Laureace Antoun, president of Villa Maria College, Erie, Pa.

I am not sure which one of you would like to go first.

STATEMENT OF DR. ROY WOOLDRIDGE, PRESIDENT OF THE NATIONAL COMMISSION FOR COOPERATIVE EDUCATION AND VICE PRESIDENT, NORTHEASTERN UNIVERSITY, BOSTON, MASS.; DR. JOANNE HINTON, VICE PRESIDENT, VILLA MARIA COLLEGE, BUFFALO, N.Y.; DR. DON STARKEY, PRESIDENT, THE COOPERATIVE EDUCATION ASSOCIATION AND DIRECTOR OF COOPERATIVE EDUCATION ART, MURRAY STATE COLLEGE, MURRAY, KY.; DR. WILLIAM MAXWELL, PRESIDENT, JERSEY CITY STATE COLLEGE, JERSEY CITY, N.J.; AND SISTER LAUREACE ANTOUN, PRESIDENT, VILLA MARIA COLLEGE, ERIE, PA., A PANEL

Dr. **Wooldridge**. Mr. Chairman, I am Roy Wooldridge, from Northeastern University and the National Commission. There is no formal chairman of this group, but since my name appears first, perhaps I will start off and our testimony at least will flow best if we move in a certain order.

Following your advice, sir, and watching what has happened this morning, and realizing that time is rapidly coming in on us, I am just going to mention the highlights of the testimony that I have submitted to you.

We are talking about title VIII of the Higher Education Act. We think it should be reauthorized through 1985. The big change is that we think there should be a lump sum authorization for both sections 802 and 803. In the current legislation, there are separate authorizations for both of those titles, under 801, which is the authorizing section.

We are proposing, as you will see in the testimony, a beginning authorization of $69 million. The current authorization ends at $28 million. And we rise, through 1985, to a total of $96 million; one lump sum authorization to cover both sections 802 and 803.

We are also recommending that the institutional limits be raised to $400,000 per individual institution applying and $300,000 for an institution that is part of a consortium.

We are introducing the concept of the installation of comprehensive co-op programs in institutions, and we feel that that should be fundable either through the administrative route, which is section 802, or the new concept of demonstration grants, which is contained now and will continue to be contained under 803.

We want to maintain and slightly increase the amount of Federal funding available for research, training and demonstration grants in proportion to what we see the increase to be in the number of applications under the regular administrative route over the 5-year period. On page 9 of my testimony, I have provided a chart that details where all of these figures come from and the backup data.

And finally, as an important thrust, we want to broaden the institutional eligibility to be units of colleges rather than colleges themselves. In other words, if Ohio State were to come to the Federal Government and ask for money to put co-op into their engineering school, and it worked successfully there after a number of years, if the business school or the nursing school or the pharmacy school would like to put in co-op, then Ohio State ought to be able to come back for a grant in a different unit within the institution.

The other example is at Miami-Dade, a multicampus institution, any one of their campuses—and this has already occurred—can use up Miami-Dade's institutional eligibility forever. Under the current legislation, an institution as a whole can only go to the Federal well one time and that is for 5 years, and then it is forever barred from returning. And we think it would be better to make that—units within a college. We do not want the same college going back all the time, but we think units within that college ought to be able to do so.

Let me close by giving you some figures that are not included in my charts, but I think they are startling figures. If Congress were to approve the bill that we recommend and appropriated the money each year, then you would have spent over the 5-year period from 1981 to 1985, $400 million. Four hundred million in Federal dollars would be invested in co-op education. You would—according to my figures—double the amount of students in the program, that is, up to another 200,000 students in this country in higher education on co-op. They would be earning $800 million a year at approximately $4,000 per student per year.

So a Federal investment of $400 million spread over 5 years would leave in place a program where perpetually, from that point on, even if there were no further expansion, there would be $800 million worth of student earnings that are then converted into payment of tuition and other things that the students need money for.

One additional point, and that is those students do pay Federal taxes on the money earned. Like any employee, they are subject to both the withholding taxes, income taxes, and social security. If you follow through the arithmetic on that, over that same 5-year period, those 200,000 students would pay $250 million in Federal taxes, so you could really net it out, subtract that from the $400 million Federal investment, and really, it becomes a net Federal investment of $150 million that generates the $800 million earning program for students.

With that, I will end my remarks, because the rest of it is in my testimony. I think it would flow better if Dr. Don Starkey spoke next, rather than in the order as printed, at least at the beginning, and then Mrs. Hinton following him, because that would be the normal flow of our testimony.

May I turn it over now to Dr. Starkey?

Senator **Pell**. Fine. Dr. Starkey?

Dr. **Starkey**. Thank you very much, Mr. Chairman.

In the interest of time, may we have my written testimony entered into the record. I do have one small change. On page 6 of the testimony I submitted, there is a secretarial error, and the figures in the graph are incorrect. They were drawn from an earlier draft. Page 8 of my written testimony is a chart, and the figures at the bottom of that particular chart are the correct figures that we will be referring to.

As mentioned previously, my name is Don Starkey, and I am president of the National Cooperative Education Association, which is the largest professional organization in this country for cooperative education. We represent approximately 1,600 professionals in the field, from over 1,000 institutions, and I welcome the opportunity to make comments today on the reauthorization of title VIII.

In order not to repeat some of the testimony given by Dr. Wooldridge, I would like to concentrate on a few salient points in my testimony, and perhaps, most importantly, indicate some of the benefits that come from the cooperative education type of plan as supported in title VIII.

I think the Congress, both the Senate and the House, have recognized, through the funding of title IV-D and VIII, that cooperative education is an important element in the educational fabric of this country. There are many benefits that come from cooperative education that relate to the student, to the employer, and to the institution. And I think these are rather significant things that should be briefly touched on this morning.

In regard to students in particular, cooperative education first and foremost provides students who participate with an opportunity to test in a realistic way their classroom training and their career goals in the real world laboratory of work.

Many times—as we have heard this morning—students often enter college with the hope that some great, magical key is going to come out of this educational experience that will enable them to enter the marketplace. Unfortunately that is simply not the way it works. We have found that cooperative education experiences will enable students to not only test what the professors tell them in class, but also to come back to the campus with a better understanding of what those classes are supposed to do for them. In many cases, they even change their majors and/or the direction of their professional career.

For employers, the gains are numerous and, I think, significant. Many large employers have participated in cooperative education for years, and we are talking about those that fall into the Fortune 500. One of the things that cooperative education does for the small- to medium-sized employer in this country is to enable them to effectively compete with the large corporations in the marketplace for students.

Many of the large corporations run recruiting services, and have professional recruiters that travel about the country. For the average small- to medium-sized employer, this is literally an impossibility. For them, participation in a co-op program gives them a chance to compete in this marketplace.

The institution benefits, most importantly—and this refers back to what Dr. Butler said earlier—from the return of the student to the campus. They bring back to that campus their experiences in the world, and other students who may not have gone out profit from that shared experience. We have found that students are not bashful when it comes to talking about their experiences in the classroom.

Dr. Wooldridge has made some recommendations in terms of dollar figures and the Cooperative Education Association would concur in those particular recommendations.

We agree that the combination of sections 802 and 803 in the authorization bill would be appropriate. However, the primary focus in the authorizing legislation should be on section 802, which is for the administration grants. Section 803 is used for training, research, and demonstration, and those are supportive functions of the overall goal of administering new co-op programs.

There is some concern on the part of the association that routinely classifying administrative grant proposals—those that come in under section 802—as demonstration grants because of the nature and the size of the institution, could lead to a dual standard. Section 802 has some limitations imposed in the legislation, of a 5-year decreasing formula, and so forth, which is not applied to section 803. There is some concern that similar schools may be competing in two different categories with a different set of rules.

Those pretty much summarize my remarks. I do recommend $400,000 as the limit. In the final analysis it is going to take $375,000 to $400,000 for large schools or any school that wants to develop a large, comprehensive program to successfully become involved from an economic standpoint.

Thank you.

Senator **Pell**. Thank you.

Dr. Hinton?

Dr. **Hinton**. Thank you very much, Mr. Chairman.

Senator Pell, Senator Williams, and staff: I appreciate the opportunity to come before you and share with you very briefly some of the highlights of the testimony that I am entering for the record.

I have recently been appointed vice president for institutional advancement at Villa Maria College, and for 6 years prior to this, I have been the cooperative education director.

As the first co-op director at Villa I can testify to you about the problems, the amount of time and the amount of money that it takes to bring even a small faculty and staff, consisting of about 50 members to a point that they know what cooperative education is about and then to get them to begin to consider placing co-op into the curriculum.

At Villa Maria College and at many of the colleges in the country, we do not want co-op to be an appendage, something beyond the graduation requirement. We want it to be a part of these graduation credits, so that it will have some value in terms of the degree that the student is earning.

Briefly, we started out in 1973 with two curriculums offering the option for cooperative education. Over this 6-year period, we have been able to expand and now have co-op available on an optional basis in all of our curriculums and mandatory in four. In my estimation our major problem to date has been the lack of time that the faculty needed to become oriented to the concept of cooperative education, to allow the board of trustees and the administration the opportunity to see some small success stories in terms of our students going out and experiencing co-op and their testifying what it has meant in their overall growth.

The other problem has been the cost factor. Over the 6-year period, Villa Maria College has indeed been very fortunate to obtain about $255,000 from the State and Federal funding agencies for cooperative education. Over this period of 6 years, we have invested approximately $238,000 of institutional dollars.

We are currently investing $100,000 of dollars for fiscal year 1979.

As far as number of students participating in co-op—and I really dislike getting into numbers, because they can be misleading—we have a good record in terms of our institution and what the national average is. I want to stay away from national average figures, because included in that average are institutions such as Northeastern University with a mandatory program and a long co-op history. Then, into that national average, you will have a college that just came into co-op last year, and so it may only have 30 students as compared to Northeastern's 9,000. So you can see the limited value of the national average if I would give you that kind of information.

For my own institution, over 6 years we have been able to place approximately 800 students who have successfully completed a co-op experience. This current year, we have about 150 students in the co-op program.

In addition to the 800 completing co-op, about 150 students per year have experienced the pre-co-op counseling and advisement counsel that we have integrated into our program. This is where the college incurs a lot of costs, especially when operating an optional program, because many students who take the pre-co-op course never opt for co-op. However this is the kind of advisement career counseling experience we want to give to all of our students, and we are now making the course mandatory in all curriculums. The faculty have awarded three credits to this course designed to help the students develop their self-assessment skills, their decisionmaking and problem-solving skills. Students also consider the career opportunities available, related occupational skills and academic requirements for specific employment options.

For Villa Maria College to continue with this commitment to cooperative education and to institutionalize comprehensive mandatory program, we are going to need considerable funds in addition to what we have had to date. I now refer you to my budget summary page which indicates the funds required for the next 3 years if Villa is to make co-op mandatory in all curricula.

The first year would require, in addition to the $100,000 that Villa Maria College is already allocating $437,000; the second year, $524,000; and then nearly $700,000 the last year.

Beginning with the fourth year, expenditures would start to decrease. The reason for the large amount of money during the 3-year period indicated is that to institutionalize co-op, we will need a large support system. We will need people with expertise in terms of computer programing, recording information, and analyzing information so we can use it for long range planning purposes. We need a larger counseling staff, and additional co-op coordinators, office equipment and all the costs that are different from those incurred for the traditional classroom instructional situation such as travel and training.

In closing, I would just like to make a final statement, asking that you seriously consider the reauthorization of the, legislation for title VIII; and that in this legislation, you include the concept of multiple year funding. Try to imagine yourself heading an institution, knowing that over the next three years you are going to need something in excess of $1 million to implement a comprehensive co-op program. How could you accept the first year of funding, not knowing what was going to happen in year two, three, four or five?

Finally, your support for the increased dollar allocation as proposed by both the National Commission and the Cooperative Education Association would be appreciated.

Thank you very much.

Senator PELL. Thank you, Dr. Hinton.

Mr. Chairman?

The CHAIRMAN. Yes. I am very pleased that Dr. William Maxwell, president of Jersey City State College, is part of this panel on cooperative education. Certainly, he comes from a situation where he can speak with considerable experience and give us a lot of constructive thought.

Dr. Maxwell is a graduate of the institution that he now serves as president, and has supplemented that education with a doctorate at Columbia.

I am looking forward to your statement, Dr. Maxwell. We have not heard any mention yet of any possible relationship of the college work-study program with cooperative education. but I would think that there is a natural potential partnership here.

I also would like to find out before we are through with the panel how cooperative education is being advanced in the Washington, D.C. area. I do not know of any students who are part of our scene here on Capitol Hill, and I just wonder if perhaps Dr. Starkey could tell us about this. We abound in great educational institutions here in Washington, and we abound in people of regular college age.

Dr. Maxwell.

Dr. MAXWELL. Thank you very much, Senator, Mr. Chairman.

As my written testimony indicates, I am here to speak in behalf of a program, the college work-study program, that has been of major benefit to the students of our college, to their families, and to the communities we serve, as well.

There is a direct relationship between college work-study program under title IV and the cooperative education program under title VIII, which I would also support strongly.

In recent years, I think colleges have moved away from a view of the college work-study program as merely a financial aid program. The "merely" is not intended in any way to view that important element of college work-study as any less important. It will continue to remain a very basic part of financial aid programs for our students in the future, we are sure. But we are interested in broadening that viewpoint, to use funds for college work-study programs to increase the number of students we place in the public sector and in not-for-profit, private sector of the economy of our county, our city, and throughout the State.

Of the some $550 million a year in Federal assistance through college work-study which serves, as you know, some 1 million college students throughout the United States, our college is fortunate in the past year to have received some $612,000 under the college work-study program, which has enabled us to place 547 of our students in college work-study programs, some 10 percent of these in public agencies, and not-for-profit agencies, private agencies throughout our city and our State.

At Jersey City State College, which Senator Williams knows well is very much an urban college, located in the heart of the inner city, and the heart of a financially troubled inner city, we firmly believe—and I mean this in part to be a response to some of the questions raised by Senator Pell—we firmly believe that the most appropriate vocational education we can offer to our students is a very firm foundation in the traditional liberal arts. We believe that this is the education that will serve them well in the long run.

But we also believe very strongly that our baccalaureate program should not represent any 4-year hiatus from the real world of work. So we are very much interested in programs such as this because frankly, if we had the resources, I know that we would insist that each and every one of our graduates take at least one

1012

semester in salaried employment in a field within his discipline or professional major program, and we seek to move toward this goal.

My testimony as well suggests some very specific changes within the legislation, and I will let the testimony speak for itself. These changes are supported as well by AASCU, the American Association of State Colleges and Universities, and these changes do have the support of the House as they come through.

I should point out, I believe, that the college work-study program in its financial aid aspect has been a major benefit to our students. The students who come to Jersey City State College have family incomes that are half that of the national average for 4-year public colleges. Thirty-three percent of our students have family incomes of less than $10,000, and 80 percent of our students from family incomes of less than $20,000.

Therefore, while grants of $1,500 or $1,200 or $1,800 a year may sound like small amounts, they are not; they are central to the economic success of many students at our college, and we are very grateful for this program and for the committee's continued support and for your interest, Senator Williams, Senator Pell, Senator Javits, and others, your continued interest in looking at the question of what do college students do after their college graduation, and what relationship there could and should be between college and the real world of work.

I could cite many examples, and I know that time is short. Let me just say that the work our students do is significant work, be it in the community, where they have done everything from work in the Newark Museum, Landmarks Preservation, county battered women shelters, in hospitals, they have worked for YMCA's, they have worked in health centers, they have worked in schools. They have made a major contribution, I believe, to our community.

In conclusion, I believe the House-supported changes in the program are important and worth the Senate's careful attention, particularly the expansion of our ability to place more students into the community, away from the campus, and I urge the Senate's continued support of the use of college work-study funds for this purpose, and I wish to thank you all for this opportunity to speak.

Thank you.

[The prepared statement of Dr. Maxwell follows:]

STATE OF WILLIAM J. MAXWELL, PRESIDENT, JERSEY CITY STATE COLLEGE

I. Introduction

I would like to begin by complimenting Senators Harrison Williams, Claiborne Pell, Jacob Javits, Jennings Randolph, and other members of the United States Senate for the strong interest they have expressed in developing much closer ties between education and the world of work. The hearings sponsored by the Senate Committee on Labor and Human Resources earlier this year presented a number of witnesses who talked very effectively about the need to develop closer interrelationships, to serve the needs of many different groups in our society—young people unlikely to go beyond high school in their formal training; college students unsure of their career opportunities and interests; older Americans in need of additional training or education to adjust to changes in work and life.

The Senate of the United States and especially Senator Williams is to be congratulated for looking more deeply into these problems, in relation to the hearings on extension of the Higher Education Act.

My testimony today deals with one part of this problem—helping college students get a better understanding of the world of work, of their own career options, and of ways in which they may better serve society as well.

The American Association of State Colleges and Universities (AASCU) has proposed legislation to modify the federal College Work-Study (CWS) program, to help accomplish these purposes. College Work-Study is an extremely important and popular program, as we all know. It provides approximately $550 million a year in federal assistance to almost one million students at colleges and universities, in addition to the substantial funds provided by colleges and off-campus employers. It serves a great many minority and low-income students for whom it is an essential form of student aid. Undoubtedly, it makes college possible for many who could otherwise not afford it.

According to research conducted by Alexander Astin at the University of California at Los Angeles, College Work-Study jobs also encourage students to stay in college, especially women and blacks. Apparently it is effective in reinforcing in the minds of students the value of a college education—in simple terms, something worth working for.

But College Work-Study is much more than just a student aid program. It enables large numbers of students to perform work both on-campus and off-campus which is both educationally relevant and socially useful. Educationally relevant work, like that carried out in the many co-op programs across the United States, enables students to test out a number of different kinds of work while still in school, to get a better idea whether their own talents and interests are better utilized in one kind of work or another. We are familiar with the major investment many students and their families make in one college major, only to find when they actually enter the field, after four or more years of schooling, that this isn't really what they want to do, or that jobs are not available. This kind of trial and error can waste resources for individuals and society. Working in a field of interest on a part-time or summer basis, with the aid of work-study, can help a student determine his or her true interests much sooner and more realistically.

Students can also work in socially useful activities. On-campus, CWS students work in a large variety of tutoring and counselling jobs, for example, ~~tutoring other students. Some assist faculty in their research and field~~ work. Others may work with handicapped students.

Off-campus, students already work in a large variety of positions with state and local government and with non-profit organizations. New York City has an "Urban Corps" which employs a large number of students from public and private colleges each year, working in schools, hospitals, day care centers, homes for the elderly, recreation programs, police and corrections work. Other cities have made similar use of a great many students. The New York Times on September 26 had a lengthy piece about the use of CWS funds to help students work with a New York state legislative committee, environmental groups, and anti-poverty and minority-related organizations. Others tutor disadvantaged young people or help with translations for foreign students. There is almost no end to the kinds of useful work which students can engage in.

* * * * * *

II. The AASCU Proposal

AASCU and other organizations supported a bill filed in the House of Representatives by Rep. Ted Weiss (NY) H.R. 5016, which was intended to encourage colleges to devote more CWS funds to educationally relevant jobs. Part of this bill has been accepted by the House Committee on Education and Labor, in H.R. 5192, the Higher Education Act amendments voted unanimously out of the Committee and now under consideration before this Subcommittee.

The House bill makes two significant changes in the existing CWS program:

—It increases the funds which can be used by a college for the Job Location and Development program (Sec. 447 of the current law) from the present formula of $15,000 or ten percent of a college's allotment to $25,000 or ten percent, whichever is less. This is a definite step forward by allowing colleges somewhat more funds to maintain and develop such a program.

—It adds legislative report language which strongly encourages colleges to develop more educationally relevant jobs.

AASCU applauds the House Committee for adopting this language. At the same time, we would suggest that the Senate may wish to go farther. We would suggest the following steps:

1. Increase the funds for Job Location and Development to 15 percent of the total allotment or $30,000, whichever is less.

2. Allow Job Location funds to be used to develop educationally relevant jobs on campus as well as off campus.

3. Be sure that the law specifies that the institution alone shall determine what are "educationally relevant" jobs, to prevent federal red tape and over-interference in academic matters.

4. Add language clearly stating that the intent of the law is to encourage educationally relevant jobs where feasibile, on -campus and off-campus.

5. Encourage colleges to grant academic credit for CWS experience, if the college wishes to do so. This is legal now, but we are informed that there has been some confusion among lower-level HEW officials about it.

6. We suggest that the law also add language like that in the "community service learning" section which was part of the CWS law from 1972 to 1976. (It was then Sec. 447.) This language—part (e)—stated that community service "includes, but is not limited to, work in such fields as environmental quality, health care, education, welfare, public safety, crime prevention and control, transportation, recreation, housing and neighborhood improvement, rural development, conservation, beautification, and other fields of human betterment and community improvement."

This language was added as an effort to encourage such programs, especially ~~for Vietnam era veterans. It was never funded—it was a separate line item~~ for CWS in the appropriations act—and was dropped in 1976 as an effort to simplify the law. Jobs in all these fields are still possible for CWS employees, but it would be clearer that Congress intends to include such activities, if they were listed in the statute. We would therefore strongly suggest that they be listed, but not as a separate appropriations item.

It is understood that all such CWS activities are at the discretion of the college. Under the law, an institution may use CWS funds as it wishes, and we do not suggest any change. We simply suggest that the law be changed to encourage colleges to provide such positions, and that colleges be given a small financial incentive to do so. We hope that participating colleges will draw heavily on the experience of co-op ed, and similar programs, and that the Office of Education will encourage and assist them in doing so.

We would also suggest that when this new language becomes law this Subcommittee, perhaps in cooperation with the House Subcommittee, call special hearings to see how the program is working out. This will help give further national attention to this matter.

We have reviewed with care the suggestion made in S. 790 that the CWS program be extended to include some position in the profit-making sector. It is our belief that this move is not justified at this time. While the proposed language tries to prevent any displacement of workers or potential workers, there would appear to be some risk that this could take place. There are so many important and relevant jobs in the non-profit sector, both on- and off-campus, that we believe CWS students can be well employed in that sector alone.

We urge the Senate of the United States to enlarge on the promise to students, colleges, and American society which was made with the amendments to College Work-Study adopted by the House Committee, under the leadership of Reps. Ford, Buchanan, and Weiss.

* * * * * *

Senator **Pell**. Thank you very much, Dr. Maxwell.

Now, we will hear from Sister Lawreace Antoun.

Sister **Antoun**. Thank you, Senator.

I am Sister Lawreace Antoun, president of Villa Maria College in Erie, Pa. a totally separate institution from Villa Maria College in Buffalo.

I was asked this morning to represent the Pennsylvania Association for Colleges and Universities and to speak to title I and title VIII. I feel like an anomaly on this panel. I have been advised to make the point that I did want to make about title I, so I hope that is permissible, Mr. Chairman.

Senator **Pell**. Please.

Sister **Antoun**. I have nothing new to add to the testimony that has already been given on title VIII. I concur with what has been said, and I have no new recommendations.

On title I, the Pennsylvania Association of Colleges and Universities is requesting an additional part in section 102. That section deals with the kinds of courses that are appropriate to the act, and it defines courses that are appropriate and that can count toward a degree in an institution.

We are suggesting that part B read—and this is not a great change—that any course that is acceptable to the institution also be recognized.

The third recommendation for section 102 is that courses that recognize continuing education units be added to section 102. There is a further statement that we recommend, and that is that the courses that have continuing education units rather than full academic credit be funded only after parts A and B are funded.

I would like to make the point that the inclusion of the funding after parts A and B is a compromise so that all of the institutions who are members of PACU might be represented.

It is a very important point that I am sure each of you is hearing about from your own constituencies. There are those who would say that there should be no funding caveat at all; that all continuing education courses, whether for credit or noncredit, if a continuing education unit is attached, ought to be funded.

There are those who are saying that there ought to be no consideration given to continuing education units if it takes away from the funding for full-time courses or credit courses.

So the recommendation that I have made in the testimony is a compromise. The ideal solution, of course, would be if there could be full funding for all three of the sections, A, B, and C, and section 102.

I think it is a privilege to participate in the democratic process at this level, and I thank you for the opportunity.

[The prepared statement of Sister Antoun follows:]

TESTIMONY

HIGHER EDUCATION ACT OF 1965

Title I - Community Service and Continuing Education Programs

Title VIII - Cooperative Education Programs

before the

SENATE SUBCOMMITTEE

on

EDUCATION, ARTS, AND THE HUMANITIES

Friday - October 5, 1979 - 9:30 a.m.

DIRKSEN SENATE OFFICE BUILDING

WASHINGTON, D.C.

Good morning. I am Sister Lawrence Antoun, president of Villa Maria College in Erie, Pennsylvania. I am here today on behalf of the Pennsylvania Association of Colleges and Universities (PACU), a unique association which binds together, through common goals and purposes, the member presidents of the four major sectors of higher education in the Commonwealth: the state owned system, the community colleges, the state-related Commonwealth Universities, and the private/independent colleges and universities. Although I speak to you this morning with a single voice, it is my intent to reflect the collective mind of the 116 PACU member institutions. And there is strong evidence that my colleagues across the nation support the philosophy on which these recommendations are based.

TITLE I - COMMUNITY SERVICE AND CONTINUING EDUCATION PROGRAMS

If I might be allowed, in the shadow of this free nation's Capitol and in your distinguished presence, a reference to a popular dictum of Marxism, the benefits which have accrued to Americans as a result of TITLE I have, indeed, proved that "quantitative differences can become qualitative differences; that differences in degree have a way of becoming differences in kind."

The validity for the following recommendations -- both in the case of maintaining the text of the Higher Education Act of 1965 and in the case of suggesting revisions -- is born of a philosophical construct related not only to the volume but to the substance of change over the last fifteen years.

Because, for the purposes of the ACT, there are some sections which are as valid now as they were in 1965, we recommend that they remain essentially the same in content. They are Sections 104, 105, 107, 108, 109, 113, 131, and 132.

Sections 101, 110, 111

The Pennsylvania Association of Colleges and Universities recommends the adoption of the substitute language for Sections 101, 110, and 111 reported by Mr. Ford in the proposed House Bill cited in the "Congressional Record - House" of September 7, 1979; H 7471.

These revisions more accurately reflect the needs of the eighties while allowing for creativity and innovation in addressing the diverse needs of different geographic areas.and their inhabitants.

Section 102

Replace Part B, with: "Of college level as determined by the institution offering such courses."

Add Part C: "Able to meet professional association guidelines or the guidelines for establishing the awarding of continuing education units. For the purposes of Part C, funding shall be authorized only after Parts A and B are fully funded."

The addition of Part C will almost certainly provoke criticism from your constituents. There are those who will insist that the funding caveat be removed and that such continuing education courses be funded at the same levels and in the same manner as Parts A and B. (Part A requires that courses be fully acceptable toward an academic degree). Another group will be opposed to the recognition of such courses through funding of any kind at any level. The statement, as written, is clearly a compromise which is neither a tribute to our success in dealing with the topic nor is it a bow to finality. What is essential to the adult learner is that there be some recognition in the area of non-traditional, non-credit courses. The ideal solution, of course, would be full funding for all three categories of courses.

Section 103

The Pennsylvania Association of Colleges and Universities recognizes the need for compliance with the federal guidelines necessary to effect this ACT. The higher education community urges, however, that complexity and ambiguity be avoided and that simplicity be introduced so far as that is possible.

Section 106

It is suggested that an additional category for funding be included in Part (b) (1): "special programs and projects related to national and regional problems". It is further suggested that Section 106 be amended to allow for a state wide consortium to deal with statewide problems.

Section 112

It is recommended that the membership of the National Advisory Council of Education and Extension of Continuing Education created by Section 112 be expanded to include, specifically, representatives of the higher education community from both the public and private sectors.

Section 133

The PACU recommends that, except for the funds provided for in the House version of Section 111, there be no additional funds set aside for extensive studies. The necessity for community service and continuing education programs has been documented; initial studies supported by TITLE I funds have served effectively to define the parameters of non-traditional learning. The Pennsylvania Association of Colleges and Universities strongly urges that funds previously identified as set-aside be allocated to the implementation of programs.

TITLE VIII - COOPERATIVE EDUCATION PROGRAMS

Section 801 (a)

PACU recommends that the last sentence in Subsection Five read: "Such programs shall provide alternating periods of academic study and of public or private employment, the latter affording students not only the opportunity to earn the funds necessary for continuing and completing their education, but also giving them work experience related to their academic or career objectives in a "nonpareil mode." It also supports the modifications suggested in the proposed House bill

Section 802 This section might be more aptly named Undergraduate Cooperative Education Support and should include all new Cooperative Education programs that have not received five years support, or have not reached a critical mass of 220-250 students.

Section 803

This section might be designated Graduate Cooperative Education Support. All monies not required to meet commitments of Section 802 should be available for Section 803 initiatives to initiate Graduate Cooperative Education programs. These graduate Cooperative Education programs shall be designed to complement the National Science Foundation's Directorates effort to link government, the academic community and industry in collaborative research efforts. This approach might provide stimulus in high technology areas. It is suggested that half of the funds previously allocated to Section 803 should also be made available for the support of this new Graduate Cooperative Education thrust.

Section 804

To correspond with changes in Sections 802 and 803, PACU recommends that Section 804 be designated Planning and Research related to Graduate Cooperative Education Programs.

CONCLUDING REMARKS

It is a privilege for me to share in the democratic process at this level and I am grateful to you for providing this opportunity for me to present the views of Pennsylvania's higher education community as it stands at the edge of the eighties. Your recognition that the education of Americans is a joint enterprise breathes life into that partnership. Your willingness to renew the academic life through a revision and/or reaffirmation of the provisions of the Higher Education Act of 1965 is a significant contribution to all students in this nation, whether they are traditional or non-traditional learners. I thank you.

Senator **Pell**. Thank you very much indeed.

Senator Williams?

The **Chairman**. Yes. I wonder if we could come back to my point——

Dr. **Wooldridge**. May I answer your earlier question about the D.C. area, because the staff members here while we were talking, looked up the schools. In the D.C. area, American University, and a combination of three schools that I believe now are all part of the University of the District of Columbia—D.C. Teachers' College, Federal College, and Washington Technical Institute—I think they are all combined now into the University of the District of Columbia—Galludet College, George Washington University, and Howard University, are all institutions that have cooperative education programs, and at least through fiscal 1977, $600,000 of the Federal title VIII—it used to be IV-D, but now title VIII—have been invested in those institutions.

In addition to that, the Federal Government itself is the largest employer, with something in excess now of 10,000 students employed in Federal agencies through the Civil Service Commission, many of whom work here in Washington, but of course, they are also spread all over the country. So there is a tremendous involvement with the Federal Government on co-op education and here in D.C.

The **Chairman**. I have not met any here, working in any of the congressional offices.

Senator **Pell**. I have not either.

Dr. **Wooldridge**. Well, the Library of Congress certainly has a number—I can speak from Northeastern's point of view, that we have them in the Library of Congress. I do not know that we have ever had them in any of the congressional or senatorial offices, as such. But I am sure there must be some among the co-op institutions.

Dr. **Starkey**. In a lot of cases, you will find that co-op students are looked upon just like other members of the staff, and quite often, you cannot tell the difference.

The **Chairman**. Yes, you might not know that they are enrolled in cooperative education.

Dr. **Starkey**. That is right. They work just like everybody else.

Dr. **Maxwell**. We have many, if I may, Senator, serving in Trenton in various offices, State offices.

The **Chairman**. How about the legislation that is before us on expanding work-study? And Dr. Maxwell, you did relate work-study to co-op. How about the changes in the work-study program that are proposed?

Dr. **Maxwell**. Well, I would like to strongly endorse those that come through the House, especially the language in the legislative report, which strongly encourages colleges to develop more educationally relevant jobs, to encourage them to use the opportunity for college work-study to be something more than a cash payment for financial aid, but to combine the good concepts of co-op education as an opportunity for students to try out the skills, the understandings that they develop from their educational program in an educationally relevant job, and not merely to put students to work, if you will, for the convenience of colleges. I would strongly support that change, and also the change that works in tandem with that, and that would be to change the current formula in the current law, which has $15,000 or 10 percent of a college's allotment that may be used for a job location and development program to change that allotment to $25,000 or 10 percent, because the job location and development program would allow us to have some startup funds to seek more educationally relevant jobs for people in the public sector in the community. It has been a very successful—the placements we have had have been very successful.

Dr. **Wooldridge**. May I add another word to that, with your permission? That is, I believe Senator Williams himself—because I had the pleasure of testifying before his committee, I think it was the first week in June—the bill that you have proposed, which would trigger 20 percent of the work-study money into co-op education, I of course, being a co-op educator, am very much in favor of this, and we have indicated that to your staff in the past.

In a sense, I do not know whether or not you can see the tie-in to the testimony that Dr. Hinton gave. The amounts of money, even in a small institution, far exceed that which even we are asking for under title VIII, and one of the ways to relieve that would be through their work-study program. With the triggering mechanism, that would provide the additional funds to help keep the program alive at an institution such as she gave as an example. So I am highly in support of the bill that you have filed to modify the work-study funding.

The **Chairman**. Have you commented on broadening the area for work in the work-study program?

Dr. **Maxwell**. Yes; I have in the testimony, and we also offer in the testimony the encouragement that the Senate might consider going even beyond the House version to consider using some 15 percent and up to $30,000 for the job location program.

We would also like to see, Senator, on that subject, some language added that would clearly state that the intent of the law is to encourage educationally relevant jobs where feasible, both on and off campus, and to expand that into new public service areas and not-for-profit, private agencies.

The **Chairman**. How about in regard to the private employers' area?

Dr. **Maxwell**. To date, we recognize that there has been some concern expressed from a number of quarters, both in the House and elsewhere, on that subject. We, through our cooperative education program, of course, place the vast proportion of our students into private industries, but we believe at the moment that there are more than enough opportunities to place students still through college work-study and public agencies and not-for-profit agencies.

The **Chairman**. But if this came to pass, you could adjust to it?

Dr. **Maxwell**. We certainly could.

The **Chairman**. Thank you.

Dr. **Hinton**. Senator Williams, if I could, I would like to follow up on that, that being in Buffalo, N.Y., where right now it is reported at an 8.1 percent unemployment rate, with many, many more people walking around not being recorded, because of course, you are only recorded if you are drawing an unemployment check, and having an economy where many of our small and medium-sized businesses are being threatened with their continued existence, one way of both helping to keep those employers in business and of helping to expand our placement would be through the use of the work-study funds in the private, for-profit sector.

So we are very much in support of wanting to have the ability to place students with the profit sector using work-study funds.

We have found it to be a handicap in our situation because of the economy in western New York.

The **Chairman**. We will study all of the statements. This is an excellent presentation, very constructive and very helpful. I am glad I could be here.

Thank you.

Senator **Pell**. Thank you very much, Senator Williams.

In a tight economy where jobs are pretty scarce, are any of you having increasing problems finding jobs for your cooperative students?

Dr. **Starkey**. Not really, Senator.

Dr. **Maxwell**. No. On the contrary, if I may, Senator, we find that those students who have been able to benefit from our cooperative education program are always the first ones placed, and those that are placed in jobs closest to their real goals. We find that is true, and we believe there is a relationship, as well, between the fact that this year, we were able to place 88 percent of the graduates of our June graduating class, and we believe that that is a good record, and we believe that our cooperative education program and the college work-study program has been a major contributor to that record.

Senator **Pell**. Your cooperative program right now covers just undergraduates.

Dr. **Maxwell**. That is——

Dr. **Wooldridge**. No. It is also at the graduate level; 93 institutions currently have cooperative education on the graduate level. Probably some 1,600 or 1,500 students are involved in it. It is much smaller on the graduate level than in undergraduate level.

Senator **Pell**. For instance, I had a young man working in my office who put in a full day's work, and then he attended Georgetown Law School at night. Wouldn't that basically be cooperative education, even though he was not under the program?

Dr. **Wooldridge**. Well, it is a form of it, although there are certain elements that we would look for in a co-op program that would be missing, and part of that would be an evaluation from you back to the institution as an instructor, if you will, as a faculty member not in residence at the university. So there would be a built-in guidance component with him or with her, to make sure that progress was being made, weaknesses overcome, strengths amplified, and whatnot.

Senator **Pell**. I did not realize that. Do you mean in each case, the employer submits sort of a fitness report.

Dr. **Wooldridge**. Yes. That is a basic fundamental of co-op education, that is right. There is a requirement that the experience be a part of the requirements for completion of the program, just as taking a course in philosophy, accounting, mathematics or whatever, and the student is graded, although not always on an A, B, C basis, but certainly on a pass/fail basis.

1028

Senator **Pell**. And I am aware, also, of the excellent job that Northeastern does. I am very proud to have an honorary degree from your institution. And we appreciated Dr. Ryder, as I said earlier, being with us yesterday.

But I had not realized that the essential part of the program was the reporting back.

Dr. **Wooldridge**. Oh, yes. That is part of the feedback system. That is what distinguishes it from just the kind of placement that you describe, where a young person finds on his or her own a job that is in fact related, and of course, the experience would be tremendous for the individual. But the lacking thing, the missing element, is integrating it into the educational process of the institution.

Senator **Pell**. Thank you.

Dr. **Starkey**. Students likewise provide feedback reports. They are checked in terms of how they view the job and what they are getting out of it. There is a great deal of structure to cooperative education.

Senator **Pell**. Are there any particular areas of the Nation that you believe lack cooperative education programs? Do they work better in urban areas, better in rural areas? Do you have any sort of broad comments of that sort?

Dr. Starkey?

Dr. Starkey. I would say we are fairly well represented across the country. Cooperative education is found in all of the United States at this point.

One of the reasons why we are talking about comprehensive programs is that larger institutions tend to be found in urban areas, and they have a potentially larger group of students from which to draw.

With that exception, I would say that cooperative education is fairly well represented across the country, and many rural areas are quite successful at it.

Senator **Pell**. I think we agree that a liberal arts education is a very good, broad education. How do you relate that to an employment opportunity? What would be an example in cooperative education?

Dr. **Hinton**. Could I respond to that? Part of our curriculum and the objectives for the co-op work experience requires that a student do a written project and attend biweekly seminars on campus. This is where the liberal arts component comes in, because we are trying to work with each individual student to strengthen written and oral communication skill, and particularly to get at the development of problem-solving skills. So if you were a student in one of my seminars, I would not teach using the normal lecture instructional situation. You would be the active participant, and I would be the facilitator. You as a student would bring up the problems and situations you are working with on the job. You would be required to relate your classroom theory with the work situation try to make application, of the theory to this job, and come up with the best decision after looking at the alternatives.

To me, this is interfacing the skills we say students acquire through a liberal arts education. I believe that most of the co-op colleges in the country require a liberal arts core component, or at least some formal course work in the liberal arts. It is certainly true on our campus and I think of those that are represented here today.

Dr. **Starkey**. Senator Pell, even in those areas that are traditionally considered technical or professional—accounting, engineering and so forth—they have a liberal arts component, as Dr. Hinton said. Furthermore, one of the prime benefits from co-op is that when students go out, even though they may be very technically or professionally oriented, they discover that they have to work as an entity in the marketplace. They aren't just an engineer or an accountant that sits and looks at books. They must interrelate with people, they must be able to communicate, they must be able to discuss those other things that a typical liberal arts education provides. When they come back to the campus they take those kinds of courses because they need them.

Senator **Pell**. Sister Antoun?

Sister **Antoun**. I have noticed your question throughout the session this morning, and I am not sure that I hear it clearly. But I am wondering whether the traditional liberal arts education as I probably knew it and perhaps you knew it, is not the major thrust of what we are talking about when we talk about liberal arts.

I would like it if we could afford the return to the traditional kind of liberal education. But I think what we say in our institutions now, for the most part, is that we teach our students how to live and how to make a living, so to speak. So that most of us who talk about being a liberal arts college—and I think that we carry that proudly—are also aware of the needs of our students when they are in the marketplace. So we are trying to give them the best of both worlds, and we are trying to prepare them for a career.

I do not think there are very many liberal arts colleges, even those traditionally that have been recognized in our country as leaders in liberal education, who now have very many students in their institutions who are going to college for the sake of improving themselves and enriching their minds. I wish there were more students like that, but I think that is not the reality.

Senator **Pell**. When you say that one of the purposes of it is to earn a living—to know how to earn a living—you are right. But then we come up against this question of where the aspirations are raised, and no job results, and the next few years are spent in disappointment.

I know I see the problem—I am sure you do—of so many young people who have their bachelor's degree, and they are trying to get onto that first rung of the professional ladder, and it is very, very hard to get that first job.

I think that perhaps one of the purposes of education is to try to emphasize that satisfaction in life is also important, and that they may not get the first job at the level they want, and maybe they will have to start out being the manager of a restaurant or something of that sort.

Sister **Antoun**. I would agree that graduates sometimes get desperate about not finding a job. But I wonder whether we have succeeded if we have not taught them something about how to cope with that in their lives.

Senator **Pell**. Then we have; you are right.

The Chairman. I was particularly pleased that you said all that you have said, and really, what you are talking about is the content of living. Certainly, people must earn a living, but then the next step is determining what is living all about, and this liberal background of education provides you the enjoyment to be alive, doesn't it?

Sister Antoun. Yes, I hope so.

Dr. Wooldridge. If I could add another word—I realize time is probably running out—but I assume that you recognize that in a cooperative program—for instance, Northeastern would have about 2,000 in the arts and science college on co-op working as an integral part, of the educational system. They do not finish at the end of the line with no knowledge of the job field, because they have been placed by the institution, by the coordinators—like the people who are represented here, and my staff, and as I have been in the past—on jobs and in a variety of situations, both in the nonprofit as well as the profit sector.

So they are much better equipped to find a job after graduation.

Senator Pell. Since the Cooperative program started 11 years ago, in 1968, have many more colleges joined this program, this approach, because of the Federal legislation?

Dr. Wooldridge. Oh, yes. When we began the movement, there were about 50 or 60 institutions—the Antiochs and the Northeasterns and the Drexels, and now there are something slightly in excess of 1,000, most of whom have come into the movement as a result of the Federal seed money. The Federal seed money, there is no question, has been the big stimulus.

Senator Pell. I wonder if Dr. Starkey could furnish us for the record the number of colleges that were doing this prior to the Federal legislation and how many of those have come in now and are receiving the Federal legislation?

Dr. Starkey. Yes. I got into cooperative education myself from private industry at the University of Cincinnati in 1968, and at that time, there were approximately 110 schools in the country. From 1906 until 1968, it had grown from the first school, which was the University of Cincinnati, up to 110. Since that time, there are now over 1,000, and we currently have Federal funding of about 600-and-something.

Senator Pell. And about a thousand doing it, so 400 do not receive Federal funding.

Dr. Starkey. Or have run through their 5 years.

Dr. Wooldridge. Or have run through their funding, and out of the seed money period. That is, the Federal money got them started, but they are now continuing on their own.

Senator Pell. Good. Thank you very much indeed for being with us. Excuse the lateness of the hour.

The next meeting of the subcommittee will be in room 1318 at 10 this coming Wednesday.

[Whereupon, at 1:15 p.m., the subcommittee was adjourned, to reconvene Wednesday, October 10, 1979, at 10 a.m.]

○